UNITED NATIONS CHILDREN'S FUND

FINANCIAL REPORT
and
AUDITED FINANCIAL STATEMENTS
for the year ended 31 December 1989
and
REPORT OF THE BOARD OF AUDITORS

GENERAL ASSEMBLY

OFFICIAL RECORDS: FORTY-FIFTH SESSION

SUPPLEMENT No. 5B (A/45/5/Add.2)

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New York, 1990

NOTE

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ABBREVIATIONS

AGFUND	Arab Gulf Programme for the United Nations Development Organizations
EEC	European Economic Community
ESCWA	Economic and Social Commission for Western Asia
FAO	Food and Agriculture Organization of the United Nations
ILO	International Labour Organisation
OEOA	(United Nations) Office for Emergency Operations in Africa
OPEC	Organization of Petroleum Exporting Countries
PAHO	Pan American Health Organization
SIDA	Swedish International Development Agency
UNCDF	United Nations Capital Development Fund
UNDP	United Nations Development Programme
UNDRO	Office of the United Nations Disaster Relief Co-ordinator
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFDAC	United Nations Fund for Drug Abuse Control
UNFPA	United Nations Population Fund
UNHCR	Office of the United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNRWA	United Nations Relief and Works Agency for Palestine Refugees in the Near East
WFP	World Food Programme
WHO	World Health Organization

LETTERS OF TRANSMITTAL

2 April 1990

Sir,

Pursuant to financial regulation 11.4, I have the honour to submit the UNICEF financial report and statements for the biennium ended 31 December 1989. These statements have been prepared and signed by the Comptroller.

Copies of these financial statements are also being transmitted to the Advisory Committee on Administrative and Budgetary Questions.

Accept, Sir, the assurance of my highest consideration.

(Signed) James P. GRANT
Executive Director

The Chairman of the Board of Auditors
United Nations
New York, New York 10017

25 June 1990

Sir,

I have the honour to transmit to you the financial statements of the United Nations Children's Fund, including the Greeting Card Operation, for the biennium 1988-1989 ended 31 December 1989, which were submitted by the Executive Director. These statements have been examined and include the audit opinion of the Board of Auditors.

In addition, I have the honour to present the report of the Board of Auditors with respect to the above accounts.

Accept, Sir, the assurances of my highest consideration.

(Signed) O. T. PREMPEH
Auditor-General of Ghana
and Chairman
United Nations Board of Auditors

The President of the General Assembly
of the United Nations
New York, N.Y.

I. FINANCIAL REPORT FOR THE BIENNIUM ENDED 31 DECEMBER 1989

Introduction

1. The Executive Director of the United Nations Children's Fund (UNICEF) submits herewith the annual financial report of the accounts of UNICEF for the year ended 31 December 1989, comprising 10 statements supported by 12 schedules.

2. The financial system of UNICEF is described in "An overview of UNICEF policies, organization and working methods" (E/ICEF/670/Rev.3). In addition, the medium-term plan for the period 1980-1993 (E/ICEF/1990/3) compares the annual 1989 figures with those previously planned for 1989 and shows the financial projections.

3. The financial report provides the details of the 1988-1989 financial results of UNICEF activities. Highlights are summarized in the following paragraphs.

Income

4. UNICEF income in the biennium 1988-1989 totalled $1,378 million. Virtually all Governments of both the industrialized and the developing worlds contributed to UNICEF in the period 1988-1989. Income comprised $860 million for general resources and $518 million for supplementary funds. This included $96 million of emergency contributions, mostly for the African emergency. The breakdown of UNICEF income by source is: 72 per cent ($996 million) from Governments and intergovernmental organizations; 23 per cent ($316 million) from private sources as a result of fund-raising campaigns, greeting card profits and individual donations; 1 per cent ($17 million) from the United Nations system; and 4 per cent ($49 million) from miscellaneous sources, including exchange rate revaluation of assets and liabilities, interest and changes to accounting policies.

Expenditures

5. UNICEF expenditures in the biennium 1988-1989 were $1,149 million. This amount consisted of $593 million for programme co-operation from general resources and $442 million for programme co-operation from supplementary funds. The remaining expenditures of $109 million were for administrative services. In addition, there were write-offs totalling $5 million.

Donations-in-kind

6. Donations-in-kind valued by donors at $57 million were delivered by UNICEF to projects during the period 1988-1989. Of this total, $22 million were received from the Government of Italy for the expanded programme on immunization and related activities in 28 African countries, one country in the Central American isthmus region and one country in Asia. These deliveries are not reflected in the financial accounts of UNICEF, although they are handled through the administrative structures of the organization.

Special accounts

7. Funds not related to commitments approved by the UNICEF Executive Board are not entered in the financial accounts of UNICEF as income and expenditures. These funds are used mainly to cover the cost of goods and services purchased and delivered on a reimbursable basis by UNICEF on behalf of Governments, other agencies in the United Nations system and non-governmental organizations. In the biennium 1988-1989, UNICEF received cash or pledges of $138.7 million for these special accounts. Disbursements and obligations from them were $130 million. In addition, $3.4 million were returned to donors.

Cash holdings

8. Total cash of $311 million (which also includes unspent balances from special accounts) was held with first-class banks in most countries where UNICEF operates. This amount comprised $276 million in interest-bearing time deposit accounts and $34 million in current bank accounts, many of them also interest-bearing. The total cash holdings of UNICEF included $40 million in currencies restricted for use in the donor countries for purchases and other local expenditures.

Programme commitments

9. During the biennium 1988-1989, the Executive Board approved new programme commitments totalling $1,268 million to programmes for children in 110 countries with which UNICEF co-operates, as well as to regional and interregional projects. This total includes $839 million in commitments from UNICEF general resources and $429 million for projects that the Board approved as worthy of support and that were financed by pledges of supplementary funds made in 1988-1989.

Prospects for 1990 and future years

10. In October 1989, at the United Nations Pledging Conference for Development Activities, Governments announced pledges totalling $184 million to 1990 UNICEF general resources. Many industrialized and developing countries pledged increases in their national currencies for 1990 compared with 1989. Past experience indicates that additional funds will be pledged in the months ahead, bringing Government pledges for 1990 to UNICEF general resources to an estimated $379 million, an increase of approximately 15 per cent from government income in 1989.

11. With expected contributions from non-governmental sources, income from the Greeting Card Operation and supplementary funds, total income for 1990 is projected to total $721 million. Over the period 1991-1993, a 6 per cent nominal annual growth in income is assumed; expenditures would increase at about the same rate as income. General resources convertible cash on hand will decrease over the period 1990-1993 to approximately 10 per cent of general resources income. Cash balances of supplementary funds are expected to decrease slightly. However, the liquidity situation will be adequate to cover the forthcoming financial needs of UNICEF.

(Signed) James P. GRANT
Executive Director of the
United Nations Children's Fund

II. REPORT OF THE BOARD OF AUDITORS

Introduction

1. As required by General Assembly resolution 74 (I) of 7 December 1946, the Board of Auditors conducted an audit of the accounts of the United Nations Children's Fund (UNICEF), including the Greeting Card Operation, for the biennium ended 31 December 1989.

2. The examination was conducted in accordance with article XII of the Financial Regulations of the United Nations and the annex thereto and with the common auditing standards adopted by the Panel of External Auditors of the United Nations, the specialized agencies and the International Atomic Energy Agency. The examination was conducted at UNICEF headquarters, at Copenhagen and at the field offices in Bangladesh, Côte d'Ivoire, India and Kenya, including Greeting Card Operation offices in New York and at Geneva.

3. During the period under review, the Board of Auditors continued its practice of reporting the results of specific audits and issuing management letters containing detailed observations and recommendations to the Administration. The practice helped greatly in maintaining a continuing dialogue with the Administration.

4. The following are the most significant matters arising from our examination. We have discussed these matters with the Administration, whose responses are incorporated in the present report, where appropriate.

5. The present report is divided into two parts, covering the audit of financial statements and management issues, respectively.

Summary of recommendations

6. We recommended that the following corrective actions, presented in order of priority, be taken:

(a) The total charge of $8.3 million on the Emergency Reserve Fund for the biennium, which was distributed among general resources programme expenditures in the beneficiary countries to the Fund, should be adjusted and disclosed separately in statement VI (see para. 26);

(b) The policy of recognizing cash advances to Governments in the accounts of UNICEF as programme expenditures must be supported by sufficient evidence on the effective utilization of these advances for purposes intended. In this connection, the following must be considered (see para. 30):

(i) A more effective procedure for advancing and monitoring cash advances to Governments should be instituted to ensure adequate compliance with the policy on timely liquidation of these advances;

(ii) The format of form 153 should be reviewed to take account of the aging of advances and to include other relevant management information;

(iii) In order to facilitate monitoring, field offices should submit expenditure returns on cash advances directly to the Accounts Section;

(iv) Field offices should be directed to include the policy on cash advances in all memoranda of understanding with Governments. For example, as spelt out in Financial Circular No. 15, no further transfer of funds may be made if a certificate of utilization of prior financing is outstanding for more than six months;

(c) The Administration is urged to continue with its efforts of securing the review of UNICEF financial regulation 4.10 with a view to ensuring consistency in the recording of gains and losses on currency exchange (see para. 35);

(d) The need to siphon excess liquidity into the provision of additional services should be considered (see para. 40);

(e) In order to ensure accuracy and reliability of accounting data, the Administration should continue to explore the possibility of instituting effective action to improve the coding of accounts and to enhance the integrity of data at the field office level (see para. 45);

(f) Project planning should adequately articulate implementation requirements to enhance programme delivery. In addition, circumspection is advised in the re-allocation of funds from slow-moving projects to fast-moving ones, so that the policy does not result in the unconscious neglect of projects located in "difficult" areas which have perennial implementation problems (see paras. 54-55);

(g) The monitoring of project implementation needs further improvement so that over-expenditures that would otherwise be absorbed by general resources in the absence of supplementary funding could either be eliminated or kept to a minimum (see para. 60);

(h) With the rate of expansion in the operational activities of UNICEF, which has exceeded its staff resources, it will be necessary for the Administration to take steps to assess the staff needs, especially of the operational divisions with a view to taking appropriate corrective action (see para. 63);

(i) During fund-raising activities, prospective donors should be encouraged to provide sufficient information on their contributions in order to facilitate their accounting, acknowledgement and effective utilization.
In this connection, a standard advice form indicating the relevant information may be completed by donors (see para. 69);

(j) Payment of bills should as far as possible be delayed until the last date in order to explore the possibility of obtaining maximum returns on moneys that can be put into short-term investments (see para. 75);

(k) The existing procedures for reporting staff indebtedness before the payment of the final cash advance on separation require adequate monitoring so that all moneys due from separating staff members can be fully and promptly recovered prior to separation (see paras. 82-83);

(l) The need for the centralized control of "attractive" inventory items, such as computers and vehicles, should be considered. For this purpose, field offices should submit copies of their inventory as of 31 December each year to be reflected in the headquarters master inventory list (see paras. 87-88);

(m) Action should be taken to ensure the conclusion of a formal and adequate custodial arrangement of UNICEF drugs and equipment in a field office (see para. 95);

(n) UNICEF must strictly adhere to its policy of refraining from contracting construction projects with high commitments that might overburden its financial resources in the event that counterpart contributions are not forthcoming (see para. 98);

(o) The requesting units of the Greeting Card Operation should be required to allow adequate lead time in their requisitions in order to ensure that materials are procured under optimum delivery, price and quality conditions (see paras. 106-107).

Summary of findings

7. Our review disclosed that a total expenditure of $8.3 million incurred on the Emergency Reserve Fund during the biennium was not disclosed separately in statement VI but distributed among general resources programme expenditures in the respective countries to which allocations from the funds were made (see paras. 24-25).

8. We noted that about 35 per cent of the returns to be submitted by field offices in 1989 to UNICEF headquarters on the utilization of advances granted to Governments had not been submitted. Furthermore, our review of the status of advances in some field offices revealed that, in a few cases, UNICEF released funds to Governments when expenditures on the utilization of previous advances had not been fully submitted (see paras. 28-29).

9. Our review of contributions records disclosed that UNICEF financial regulation 4.10 permits separate treatment for losses and gains on the exchange rate of non-dollar contributions, depending upon whether the contributions are received in the year for which the pledge relates or are received later. The need for consistency in reporting gains and losses on exchange, irrespective of the year in which the contribution is received, is being considered (see paras. 33-34).

10. A surplus of income over expenditure amounting to $229 million (16.6 per cent of the total income), realized on the financial operations of UNICEF during the biennium 1988-1989, disclosed a significant increase of 247 per cent over the surplus for the previous biennium (see paras. 37-38).

11. Our review of procedures for financial reporting on programme activities indicated that, as a result of inadequate and, in a few cases, incorrect financial information, a significant number of accounting data is rejected by the computer and placed on a suspense account; it required considerable time to analyse and correct it manually (see paras. 42-45).

12. Hitherto, the acquisition costs of capital assets were amortized by earned rent or yearly charges to the budget. However, in keeping with the need for standardization in the presentation of financial statements, capital assets have been converted, effective in the biennium 1988-1989, into a capital assets fund statement, showing assets and liabilities. We observed that the value of five houses acquired in a field office in 1989 appeared to have been understated by $126,701.81 (see paras. 47-50).

13. Effective programme delivery was noted to be one of the major preoccupations of UNICEF during the biennium. However, our review of programme execution, by project globally, indicated much room for improvement in the delivery of both supplementary-funded and general resources projects. There is also a need for caution in the reallocation of funds from slow-moving projects to fast-moving ones, so that the policy does not result in the unconscious neglect of projects located in "difficult" areas with perennial implementation problems (see paras. 52-55).

14. In 1989 alone, as many as 101 supplementary-funded projects attracted various expenditures, totalling $8.34 million, although these expenditures had not been planned for in the project budgets (see paras. 59-60).

15. We observed that, between 1982 and 1988, the income of UNICEF increased by 88 per cent with corresponding expansion in its operational activities, while the strength of its staff members who bear management and operational responsibilities grew by only 18 per cent. As a result, the staff resources required to support the effective implementation of policies and substantive programmes was found to be inadequate (see paras. 62-63).

16. Significant expenditures in excess of allotments, totalling $1 million, were incurred by four headquarters locations and eight field offices. Monitoring of budgetary performance was made less effective by the untimely release of the monthly budget performance reports (see paras. 65-66).

17. As a result of inadequate information provided by donors, funds were not promptly receipted and acknowledged, but, rather, were placed on a suspense account pending the receipt of relevant information, thus delaying effective utilization of contributions (see para. 68).

18. With regard to cash management, we observed that some payments, in particular, rent and telephone bills, were not always timed to take full advantage of credit periods; rather, payments were made in advance of due dates (see para. 74).

19. As a result of a number of factors, including the non-availability of relevant personnel information on some separating staff members, their total indebtedness of $28,058.60 to UNICEF was not recovered prior to their separation. We have been informed that the recovery of the outstanding amount is in progress (see paras. 81-82).

20. Our examination of property records disclosed that a master inventory list was not maintained at UNICEF headquarters for computers, vehicles and other "attractive" items maintained at the field offices (see paras. 85-87).

21. Our review of procurement procedures at the United Nations Procurement and Assembly Centre at Copenhagen (UNIPAC) disclosed that, because of the difficulty in monitoring the accumulated value of purchase orders in excess of $40,000, it was not always possible to refer such purchase orders to the Contract Review Committee for its review as required (see paras. 90-91).

22. With regard to field office activities, the following was noted:

(a) Our visit to a warehouse where UNICEF drugs and equipment were stored revealed stocks of expired and expiring drugs. Furthermore, the custodial arrangements for the items appeared to have been informally concluded with a private employee of the warehouse rather than with the management (see paras. 93-94);

(b) We noted that, outside the original plan of operations, UNICEF incurred expenditure amounting to $1.3 million in a construction project, including housing for the project staff of a national Government (see paras. 97-98);

(c) Contrary to the terms of the Basic Agreement with a host country, UNICEF incurred some operational and administrative expenditures originally reserved for the home Government (see para. 101).

23. Our examination of the accounts of the Greeting Card Operation for its fiscal year ended 30 April 1989 disclosed the following:

(a) As a result of inadequate lead time allowed by a requesting National Committee, who insisted on a specific delivery date, the first two lowest bidders were unable to take the "rush" order because they could not meet the required delivery time. The contract was therefore awarded to the third lowest bidder, whose quotation was $25,500 more than the offer made by the lowest bidder (see paras. 104-105);

(b) Several amendments (up to 15), affecting both delivery dates and prices, were made on production orders after the contracts had been awarded, thus defeating some of the benefits of competitive bidding (see paras. 109-110).

Part I: Financial statements

The treatment of Emergency Reserve Fund in the financial statements

24. Our validation of statement VI revealed that expenditures from the Emergency Reserve Fund were not reflected in the statement as expenditures made from the Fund, but were distributed among programme expenditures in the respective countries to which allocations had been made. The information provided in statement VI on the Emergency Reserve Fund related to unspent commitments as at the beginning of the biennium, new commitments during the period and unspent balances of commitments as at the end of the biennium.

25. While this treatment did not show that expenditures have actually been made from the Fund, the expenditures on programme activities in countries that benefited from allocations from the Emergency Reserve Fund have been overstated. Total expenditure incurred on the Fund for the biennium 1988-1989 was $8.3 million (1988 - $5.8 million, 1989 - $2.5 million).

26. We recommended that expenditure on the Emergency Reserve Fund should be shown in statement VI, and that expenditures on general resources programme activity in the respective countries that received assistance from the Fund should be adjusted by corresponding amounts to reflect the true position.

27. The Administration explained that, in line with the UNICEF country planning process, those expenditures are reported at the country level because they are, in effect, an adjunct to other country-level expenditures and are controlled by the country office. However, it was recognized that the current presentation of expenditures against the Emergency Reserve Fund on the country lines on statement VI is not very transparent and does not give an accurate presentation of the expenditures. It was therefore agreed that effective in 1990, the presentation of all Emergency Reserve Fund commitments and expenditures would be shown separately on statement VI.

Liquidation of cash advances to Governments

28. We reviewed the procedures for the granting of cash advances to Governments and examined a sample of the returns from field offices. We realized that about 35 per cent of the returns that were to be submitted by field offices to UNICEF headquarters in 1989 had not been submitted. Furthermore, our review of the status of advances in some field offices revealed that UNICEF continued to release funds to Governments when in some cases expenditures on the utilization of previous advances had not been submitted. The policies and procedures manual of UNICEF requires that advances to Governments should be liquidated within a period of six months. We also observed that, apart from occasional reminders, Programme Managers had refrained from taking the more effective action of withholding the release of additional funds pending the liquidation of previous advances.

29. We also observed that information on the total amount of money that has been paid out as advances to Governments by field offices was not readily available at New York Headquarters. However, as a stated accounting policy, these advances are reported directly as programme expenditures, although in actual fact, this does not give the true picture of programme expenditures, since all the cases sampled in 1989 disclosed unspent balances with Governments after accounting for liquidations in respect of both ongoing and completed projects. For the policy of recognizing advances as programme expenditures to be reasonable and acceptable, it must be supported by sufficient evidence on the effective utilization of such advances and for the purposes intended.

30. We are therefore of the opinion that a more effective procedure for advancing and monitoring of cash advances to Governments should be instituted to ensure compliance with the policy on timely liquidation of advances. In this connection, we further recommended the following:

(a) The format of form 153 should be reviewed to take account of the aging of advances and to include other relevant management information. In addition, the policy regarding the timely submission of expenditure returns on advances should be re-emphasized to the field offices;

(b) In order to facilitate monitoring, the field offices should submit expenditure returns on advances to Governments directly to the Accounts Section;

(c) Field offices should be directed to include the policy on cash payments in all memoranda of understanding with Governments. As stated in Financial Circular No. 15, no further transfer of funds to Governments may be made if a certificate of use of prior financing is outstanding for more than six months.

31. The Administration recognized the need for improvements in the monitoring and control of such disbursements. We were informed that, in order to effectively implement our recommendations, the Division of Financial Management Programme Division and the Office of Internal Audit have started discussing the issue by forming a task force to review the existing system in order to improve the control and management of this important UNICEF programme activity. The Programme Division will also be sending a memorandum to field offices to remind them to ensure that all memoranda of understanding with Governments clearly indicate the reporting responsibilities of the Governments with respect to advances.

32. It was further explained that, prior to 1990, UNICEF field offices were required to maintain a manual log of disbursements to Governments. The latest version of the Global Field Support System (GFSS 1.3) contains a module for the tracking of all such payments. It is expected that the implementation of this module will greatly improve the ability of the field offices to prepare and submit expenditure returns on a timely basis.

Treatment of gains or losses on currency exchange

33. UNICEF financial regulation 4.10 states, inter alia, that

> "differences resulting from the payment of contributions pledged in currencies other than the United States dollars shall be recorded:
>
> (a) Against these contributions if the payment of the pledge is made within the year for which the pledge is intended;
>
> (b) Against UNICEF miscellaneous income as gains or losses on exchange, if the payment of the pledge is made subsequent to the year for which the pledge is intended".

34. As a result of the above regulation, losses or gains from the exchange of non-dollar contributions were given separate treatments in the accounts. While losses or gains on prior year's contributions were charged to miscellaneous income, losses or gains from contributions for the current year were charged to the income account for the year.

35. Since both accounts are income accounts, we do not consider necessary the separate treatment of the differences resulting from the non-dollar contributions irrespective of the timing of the payment. We therefore recommended that the Administration consider taking appropriate action to review UNICEF financial regulation 4.10 with the view to ensuring consistency in the recording of gains or losses on currency exchange.

36. In agreeing with the recommendation, the Administration explained that the regulation has been a factor for accounting complication, especially in controlling supplementary-funded projects. The Administration has informed us that the proposed amendment to UNICEF financial regulation 4.10 was approved by the Executive Board during its regular session in April 1990. The approved regulation

reads as follows: "regulation 4.10: Differences resulting from the payment of contributions pledged in currencies other than United States dollars shall be recorded against these contributions".

Liquidity position

37. A significant surplus of income over expenditure amounting to $229 million (16.6 per cent of total income) was realized on the financial operations of UNICEF during the biennium 1988-1989. This operational result shows an increase of 247 per cent over the consolidated surplus of $92.6 million achieved in the prior biennium.

38. From the analysis below, the total assets of UNICEF were more than its total liabilities by 4.3 times as of 31 December 1989. In addition, the 1988-1989 fund balance of $579 million, which shows an increase of about 69 per cent over that of the biennium 1986-1987, suggests a drift towards excess liquidity.

Assets and liabilities

	1988-1989	1986-1987 (consolidated)
Total assets	754 723 657.62	598 644 092.67
Total liabilities	175 461 543.98	255 321 518.97
Fund balance	579 262 113.64	343 322 573.70
Liquidity ratio	4.3	2.3

39. To meet the liquidity requirements of UNICEF, general resources convertible total cash balance should equal 10 per cent of projected general resources income. However, the general resources convertible cash balance stated as $128 million as of 31 December 1989 exceeded 10 per cent of UNICEF's total income of $721 million projected for 1990 by 77.5 per cent.

40. The need to siphon the excess liquidity into the provision of additional child welfare programmes should be considered. Furthermore, included in the total cash holdings (schedule 3) is a balance of $39.9 million in non-convertible currencies. This balance which is 143 per cent more than the balance in the prior biennium requires utilization to prevent its accumulation.

41. The Administration responded as follows:

> "The Administration is fully aware of the liquidity situation pointed out by the Auditors. With regard to the utilization of excess liquidity in convertible currencies, general resource expenditures for medium-term plan approved by the Executive Board are at levels that will steadily reduce the general resource convertible cash balance to the required level of 10 per cent ($64 million) by end of 1993. The Administration also uses a part of general resource liquidity to fund supplementary funded programmes which have been unfunded for more than a year, in conformity with the Executive Board's policy. With regard to the increase in non-convertible currency holdings, the

Administration is making every effort to utilize them. However, it should also be noted that, in some cases, there have been various constraints due to the availability of appropriate goods and services to be purchase by those currencies."

Suspense account

42. Our review of procedures for financial reporting on programme activities revealed that at any given time the computer rejects a significant number of accounting data which are placed on a suspense account. The total number of invalid data placed on the suspense account as of 11 November 1989 was 11,392 involving an amount of $17 million. The breakdown of the amount is as follows:

	Millions of United States dollars
UNIPAC	8.1
India	1.4
Headquarters	7.5
	17.0

43. The errors could be classified into the following five categories:

(a) Coding;

(b) Freight for procurement being wrongly charged to cash call-forward instead of supply call-forward;

(c) Adjustment errors;

(d) Call-forwards from field offices not having corresponding purchase orders;

(e) Other human errors.

44. We further observed that one contributory factor was the application by a field office of a coding system quite different from that used by the rest of UNICEF, which created inconsistency in financial reporting. The errors consisted mainly of missing call-forwards and purchase orders from field offices and wrongly coded transactions.

45. The above-mentioned situation betrays serious lapses in the data preparation function. The correction of such a large number of errors requires painstaking efforts and considerable man-hours, including computer time, both of which are expensive. Although we acknowledge that the Division of Financial Management spent a considerable time in analysing and correcting the account, which resulted in some improvement, the problem remains substantially unresolved. In order to ensure accuracy and reliability of accounting data, we recommended that effective action should be taken to improve the coding of accounts and to enhance the integrity of data at the field office level.

46. The Administration explained that the purpose of the suspense account was to allow for time-lags between the receipt of payment information and the registration of call-forwards to which the payments relate. It was recognized that the account

also contained some invalid data. The issues were taken up by the Information Resource Management Advisory Committee, and it was decided that these problems, in particular, the problems of financial data-entry consistency, should be carefully analysed and considered in the Steering Committee for the Central Financial and Accounting System. For the time being, the data-entry consistency of the field office was being worked out.

Accounting treatment for capital assets and their disclosure in the financial statements

47. Our review of accounting policies and procedures disclosed that buildings for staff housing, as well as office space, had been acquired and their costs amortized by earned rent or yearly charges to the budget. We also observed that, based on the decision of the Executive Board, capital assets were amortized and the outstanding balance shown in the accounts as the value of capital assets. However, we noted that the Executive Board in its deliberations on the budget for the biennium 1986-1987 agreed with the Advisory Committee on Administrative and Budgetary Questions not to amortize any capital assets acquired from 1986 onwards.

48. In this regard, during an interim audit, we noted from the financial statements for 1987 that capital assets acquired by UNICEF totalled $7.4 million, while amortization amounted to $5.1 million, leaving $2.3 million as the value of capital assets in the financial statements. Moreover, office buildings in two field offices (Dar es Salaam and Santiago) and UNICEF staff house (Juba) had zero values. Based on this accounting treatment, the values of the capital assets would be nil by the end of the respective amortization periods and, consequently, there would not be adequate disclosure of the true value of UNICEF capital assets in its financial statements.

49. Following the concern expressed by the Panel of External Auditors on the wide disparity in the accounting treatment of capital assets by the organizations in the United Nations family, and in keeping with the request contained in paragraph 13 of General Assembly resolution 43/216 of 21 December 1988, that the possibility of standardizing the presentation and format of financial statements and accounting policies of all audited organizations and programmes should be explored, we recommended, and the Administration agreed, that schedule II of the UNICEF financial statements for capital assets should be converted to a statement, entitled Capital Assets Fund, showing assets and liabilities in keeping with the practice followed by United Nations Headquarters.

50. We observed from our validation of the 1988-1989 financial statements that our recommendation had been implemented and that the Capital Assets Fund has been set out in statement VIII. We noted, however, that the value of five houses acquired in a field office in 1989 has been stated as $247,397.31 instead of their actual acquired value of $374,099.12, revealing an understatement of $126,701.81. We recommended that the necessary adjustment should be made to reflect the true value of the assets in statement VIII.

51. The Administration recognized that the difference in valuation might have arisen from the application of an exchange rate methodology prevailing in the field office. Action has been initiated to obtain and verify the documentation relating to the purchase and, once the correct valuation of these assets is confirmed, the necessary adjustments to the Capital Assets Fund will be made in 1990.

Part II: Management issues

Project activities

Programme delivery

52. Our review of project execution at the close of 1989 indicated that, out of 929 supplementary-funded projects, 392 (42 per cent) had low implementation levels, while 61 (6.5 per cent) recorded zero implementation. (Low delivery refers to projects with implementation levels lower than 75 per cent.) With regard to projects funded from general resources, we noted that, out of a global figure of 1,367 projects in all the four major operational regions in 1989, 326 (24 per cent) had low deliveries and 62 (4.5 per cent) had zero delivery. The regional breakdown is detailed below:

	Low delivery		Zero delivery	
	Supplementary	General resources	Supplementary	General resources
Africa	212	130	42	18
Americas	66	24	5	5
Asia	81	144	6	31
Middle East and North Africa	33	28	8	8
Total	392	326	61	62

53. Our review of implementation procedures disclosed that, unlike supplementary-funded projects, there was a lot of flexibility in the utilization of funds in respect of projects funded from general resources.

54. This flexibility permitted the reallocation of funds among projects in response to changing priorities or implementation difficulties that surfaced in the course of the year. Usually, funds were reallocated from slow-moving projects to fast-moving ones in order to maximize the utilization of financial resources. However, care must be exercised so that vital projects located in areas with perennial implementation difficulties are not neglected in the process.

55. In this connection, it would be noted that the low and zero project deliveries have high concentrations in Africa and Asia, where infant mortality rates are high and, consequently, where effective child care is most needed. It is conceded that some of the factors inhibiting project implementation, such as late receipt of funding, lack of qualified project personnel, currency fluctuations and political instability are mostly external, beyond the control of field offices. We recommended that project planning should adequately articulate implementation requirements in order to ensure further improvement in programme delivery.

56. The Administration agreed with our recommendation to ensure further improvement in programme delivery, since this has been its major preoccupation. In a recent meeting of section chiefs, it was agreed that headquarters monitoring of under-implementation would be made at two critical times of the year, namely, in March and October. The Administration, however, believed that our analysis of programme delivery by project would not result in an accurate evaluation of

performance because of system-related problems. For example, the definition and coding of projects in the 1989 coding system was not well structured, while the programme grouping system did not reflect in the coding structure, resulting in problems in budgeting and charging of expenditures. In addition, the system did not provide for the facility available to the field offices in the reallocation of funds among general resources projects.

57. The Administration continued as follows:

> "Also, the number of projects with low or zero delivery does not necessarily mean that the country programme as a whole is facing implementation delays. In [the] case of one country out of 28 general resources projects, 12 have low delivery while 3 have zero delivery and yet the overall implementation of the programme is 99 per cent. Within the authority granted, the country office reallocated the funds from slow-moving projects to fast-moving ones during the calendar year in order to maximize utilization of financial resources. In such cases we, in fact, feel that the country office has managed its funds well."

58. The Administration concluded that, starting in 1990, the Global Field Support System diskettes would be used for transmission of programme budgets. The parameters were also established so that minor changes between activities and projects would no longer be made in the headquarters system and this would enable headquarters staff to focus more on major amendments.

Expenditures in excess of commitments on supplementary-funded projects

59. From our review of supplementary-funded programme expenditures, we observed that a deficit, amounting to $4.8 million as of 31 December 1989, was incurred. In keeping with the established policy, the individual negative balances would be reviewed by the UNICEF Executive Board to determine, inter alia, "the nature and cause of the deficit. In cases of actual deficit balances, the donor concerned will be approached for possible additional contributions. If no such contribution is approved, the deficit balances will be charged to general resources".

60. We also noted that in 1989 alone as many as 101 supplementary-funded projects attracted various expenditures, ranging between $5,000 and $2.5 million and totalling $8.34 million, although such expenditures had not been planned for in the project budgets. With regard to the over-expenditures, the field offices should have promptly adjusted their budgets up on receipt of the computer reports from headquarters. It is the view of the Board that the planning and implementation of programme activity need further improvement so that over-expenditures, which will necessarily have to be absorbed by general resources in the absence of supplementary funding, could either be eliminated or kept to a minimum.

61. The Administration explained that much of the $4.8 million of over-expenditures relates to prior years. It outlined a number of measures including new closure procedures aimed at improving the reporting system of programme activities. Effective in 1990, a faster and more accurate reconciliation of data between field offices and headquarters would be possible with the addition of a special procedure to the computer programme.

Increase in the operational activities of UNICEF

62. We noted that, between the period 1982-1988, the overall income of UNICEF increased by 88 per cent, while its staff strength rose by 44 per cent. The disparity becomes more pronounced when it is observed that the number of staff members who carry management and operational responsibilities grew by only 18 per cent during the same period. As a result of the increase in the work-load, the support required to ensure effective implementation of substantive policies and programmes was found to be inadequate. The problem of overload is even more severe in certain sections within the operational divisions (Office of Administrative Management, Internal Audit).

63. The present situation could be compounded if the envisaged strategies for the 1990s becomes operational. With the UNICEF system of decentralization and the resultant delegation of headquarters authority to the field offices, coupled with the flexibility associated with UNICEF operations, it is our belief that effective programme delivery will not be achieved without adequate monitoring and supervision from headquarters. In this regard, the need was felt to match the growth of UNICEF with adequate staff resources, especially in the operational divisions at the headquarters Division of Financial Management, Division of Personnel, Information Resources Management, Supply Division, Office of Administrative Management and Internal Audit, to ensure greater productivity. We therefore recommended the setting up of a management committee to assess the human resource needs of all the operational divisions. The committee's report could form the basis for strengthening the staff needs of the operational divisions.

64. The Administration said that the existing Budget Planning and Review Committee reviews, within the constraint of resources and identified priorities, requests from all offices for additional posts. Proposals for new posts set out in the medium-term plan and Internal Budget Guidelines would be put before that Committee for review, and the strengthening of the operational divisions as recommended would be given due consideration.

Budgetary control

Over-expenditure on allotments

65. Our examination of expenditure records revealed that four headquarters locations exceeded their budgetary allotments by a total amount of $544,300 (30 per cent). Similarly, eight field offices incurred a total excess of $486,200 (17 per cent) of the total budget funds allotted under the cost centres: general operating cost/staff cost.

66. We observed that the information system that provided periodic monitoring reports on budgetary allotments to divisions or sections and field offices was slow and ineffective. Specifically, the inordinate delays in the submission of field offices' expenditure returns resulted in the untimely preparation and release of the monthly status of budget performance reports, which consequently impaired the effective monitoring of expenditures. Adequate improvement in budget performance monitoring would be desirable.

67. The Administration outlined specific reasons for the allotment overruns and stated that they have been submitted to the Budget Planning and Review Committee for review. It is believed that field offices would be able better to control their respective budgets when the recently introduced Field Budget Control System becomes fully operational. We further learnt of the introduction of a New York Budgetary Control System aimed at improving budget performance monitoring among divisions and sections at headquarters. It is the opinion of the Board that this new system would even be more effective if it were put on the mainframe computer, where a provision could be made to sound warning signals to focal points when expenditure levels are exceeding budget allotments.

Cash management

Inadequate information on paid contributions

68. We observed from our review of procedures for accounting for paid contributions that, as a result of inadequate information provided by donors, funds were not promptly receipted and acknowledged, which consequently delayed the effective utilization of contributions.

(a) At the Finance Section, we noted delays ranging from two weeks to eight months in the issuance of treasury receipts for contributions, mainly because the donors did not specify for what purpose the funds should be applied. Out of 275 cases of delay in issuing cash receipts for contributions, 142 of them had been delayed for more than two weeks. This contravenes the requirements of rule 111.5 (a) under article XI of the UNICEF Financial Regulations and Rules, which states, inter alia, that "An official receipt shall be issued as of the date the funds are received for the exact amount paid";

(b) In addition, as of 19 October 1989, a total remittance of $23.4 million had been received but there was no adequate information as to the purpose of the donation. Consequently, the amount was put on a suspense account pending the receipt of sufficient information from the donors on how the funds should be utilized. Although only a small percentage of the total amount in the suspense account predated June 1989, there was an increasing number of these unidentified funds each month since that date.

69. Although follow-up action was regularly taken by UNICEF on the remittances that were lacking adequate information, the relevant information was not always promptly supplied by the donors. In order to facilitate programme delivery, it is essential that available funds be immediately identified and effectively utilized. We therefore recommended that, during fund-raising activities, prospective donors should be reminded of the vital need to provide sufficient information on their donations to facilitate their accounting, acknowledgement and effective utilization. In this connection, we suggested that a standard advice form should be designed and introduced to would-be donors, indicating the date on which the amount is deposited, name of donor, amount credited and the purpose. Donors might be required to complete these forms whenever they make donations to UNICEF.

70. The Administration agreed with our observations and recommendations and stated that communication is regularly and systematically ongoing with the donors on the vital need to provide sufficient information on their donations. The Administration would consider which donors could be encouraged to provide specific

information through the use of a standardized form. Donors will be further encouraged to provide specific information in a standardized manner, including information as to the purpose of the donations. Furthermore, in view of the nature of the delays, the Administration would consider the feasibility of issuing temporary receipts in acknowledgement of the amount and the value date only, until more complete receipts could be issued to donors.

Delays in the issuance of receipts for funds-in-trust

71. Treasury receipts were not promptly issued for funds-in-trust (special accounts) received at the Finance Office. Delays ranging from four days to seven months came to notice. Contrary to existing regulations, funds were allowed to accumulate and receipts issued for them on special days. However, special accounts which are funds for reimbursable procurement, including advance receipts for junior professionals and other miscellaneous receipts, were all adequately identified. The delay in issuing receipts for such amounts therefore did not appear to be justified.

72. In 1989, total funds received under special accounts for which receipts were not promptly issued amounted to $US 30.1 million, DM 1.5 million, ¥ 143.6 million, $Can 0.5 million, FmK 1 million and SKr 24,100. We also observed that the new central accounting system to be introduced in 1990 will computerize the issuance of treasury receipts for contributions and pledges but not for special accounts. We recommended that the entire system of issuing treasury receipts should be streamlined to ensure prompt acknowledgement of funds in keeping with Financial Regulations and Rules.

73. The Administration commented that, by its analysis, treasury receipts are issued for over 60 per cent of the funds within one month and over 90 per cent within two months. The delay of over two months in the issuance of treasury receipts was attributed to lack of adequate information on credit advices. It was further explained that treasury receipts were issued on "special days" because of the heavy work-load of the person issuing the receipts. While automation of the issuance of special accounts treasury receipts is not foreseen in the near future, it is believed that the full functioning of the proposed contribution receivable system would considerably lighten the task of treasury receipt issuance.

Payment of bills prior to due dates

74. Our examination of disbursement procedures disclosed that some payments, in particular, rent and telephone bills, were not timed to take full advantage of credit periods. In this regard, as of September 1989, a total amount of $154,339.50 had been paid to the United States Leasing Corporation between 4 and 20 days in advance of due dates. Similarly, a total of $353,563.52 was paid to New York Telephone for periods ranging between 2 and 13 days prior to due dates.

75. We recommended that payments of bills should, as far as possible, be delayed until the last date, in order to explore the possibility of obtaining maximum returns on moneys that could be put into short-term investments.

76. The Administration said that the Cashier's Unit has been instructed to monitor carefully the timing of payments. However, in order to avoid the risk of failing to meet due dates, cheques would be issued in most cases approximately one week prior to the due date to allow time for the processing of the cheques. This area

of control will also be addressed in the specifications and design of the new payables system to be developed in 1990.

Utilization of experts and consultants

Contracting for services that could be performed by regular staff

77. Our review of the consultancy agreements contracted in the field offices indicated a few instances where some field offices engaged the services of experts and consultants to perform duties which, in our opinion, did not require skills beyond the capacity of regular UNICEF staff members. The following examples are provided:

(a) A special service agreement contract was awarded to a consultant for 62 days to act as a text editor for the preparation of the 1988 situation analysis and to edit and forward draft submissions to UNICEF for review;

(b) The terms of reference of another contract in a different country included the monitoring of stocks of supplies and the submission of the relevant report;

(c) A consultant was engaged for 42 days in 1989 to carry out a financial and operational audit of a UNICEF office in accordance with accepted standards of audit. Two other previous special service agreements had been issued to the same consultant for the same purpose in 1987.

78. In the first two examples, it is our view that the duties could have been adequately performed by regular UNICEF staff. We therefore recommended that, in order to limit costs, field offices should be encouraged to utilize the in-house human resources for the performance of duties that do not require special skills. The Administration stated that, due to increased work-load and additional unexpected requests from government counterparts, sometimes the in-house capacity to respond in a timely manner to those requests was not always available and UNICEF had to obtain the services of external, qualified candidates to perform those tasks.

79. With regard to the third example, we acknowledge that, owing to the corresponding increase in the work-load of the Office of Internal Audit resulting from the expansion in the operational activities of UNICEF, there was the need to engage a consultant to supplement the efforts of the Internal Audit staff. However, since internal audit duties are routine in character and the work-load is not likely to decrease, we recommended that steps should be taken to augment the staff of the Office of Internal Audit.

80. The Administration stated that, although the expansion in the operational activities of UNICEF has occasioned an increase in the work-load of the Office of Internal Audit, the need for engaging a consultant in 1987 and 1989 arose especially because of vacancies in that Office. In such situations, the practice has been to try to maintain adequate audit coverage with the help of qualified and experienced consultants, such as retired auditors. As recommended, consistent efforts are already being made to fill the positions.

Payroll

Indebtedness of separated staff

81. From our review of separation procedures, we observed that 14 staff members who had separated were indebted to UNICEF for various sums of money totalling $28,058.60. We noted that 2 out of the 14 cases resulted from duplication and overpayment of salaries, and 2 others from wrong calculations of dependency and education grant allowances. The remaining 10 cases occurred as a result of the staff members' indebtedness in excess of the balance of their separation entitlements after the 80 per cent cash advance had been paid.

82. Separation procedures require that any outstanding advances due from a staff member at the date of separation, as well as shipment of personal effects in excess of entitlement, should be deducted from the 80 per cent cash advance payment. It was concluded, therefore, that the relevant information was not adequately circulated prior to the release of the 80 per cent cash advance resulting in the outstanding indebtedness.

83. To ensure that all moneys due from separating staff members are fully and promptly recovered prior to separation, we recommended that the existing procedures for reporting staff indebtedness prior to the release of the 80 per cent cash advance require strict enforcement.

84. The Administration agreed that in some cases there was insufficient information available to justify the 80 per cent payment advance at the time of separation and realized the need to improve the situation. It was further stated that the redesign of the staff personal accounts is being carried out, and this would address the weakness noted. With regard to recovering the outstanding amount, we were informed that several cases have already been settled with balances received from the separated staff members.

Non-expendable property

Inventory management

85. UNICEF financial rule 112.33 states that "the Comptroller shall determine the types of supplies, equipment and other property for which records shall be maintained and the nature and extent of the records to be kept, consistently with the purpose of these Rules. Such records shall be maintained both for headquarters and for offices away from headquarters and shall show separately the supplies, equipment and other property belonging to UNICEF and those entrusted to UNICEF".

86. Our examination of property records revealed that no master inventory list was maintained at headquarters for supplies, vehicles and other property held at the field offices. Our visits to some field offices disclosed instances where UNICEF vehicles were loaned to offices and individuals without the conclusion of any form of agreement regarding the duration of the loan and the proper care of the vehicle.

87. The value of inventory, vehicles and supplies in 28 offices out of 96 was estimated at $6.0 million as of 31 December 1989. This indicates that the total value of inventory of vehicles, supplies and other property in various UNICEF field offices globally would run into several millions of dollars. It is therefore

necessary for New York headquarters to keep a record of inventory of all UNICEF property for control purposes, since the value of inventory items, including computers, is not shown in the financial statements.

88. We recommended that at the end of December every year, each field office should submit a copy of its inventory to New York headquarters to be reflected in a master inventory list in the computer system. Furthermore, the need for centralized control of certain "attractive" inventory items, such as computers and vehicles, should be considered.

89. The Administration responded that the control of field office inventory had been delegated to heads of these offices through administrative instruction No. 348/Rev.1 of 1984. Under the current instruction, the Administration is requesting each field office to conduct physical inventory periodically and to report the total value of non-expendable equipment as of end-December to headquarters to be incorporated into a master inventory. In view of the decentralized nature of UNICEF operations, it is considered that the basic framework of the existing inventory control system is suitable. However, the system may be reviewed if considered necessary.

The submission of purchase orders below $40,000 to the Contracts Review Committee

90. Chapter 2, section 8.4.1 (i) and (iv), of the Supply Division Manual requires that purchase orders below the monetary limit of $40,000 for UNIPAC Copenhagen will be deemed to be in excess of the limit if the total value of all the purchase orders placed with one supplier within 30 days exceeds $40,000. In such a case, all the purchase orders should be presented to the Contracts Review Committee, prompted by the last one, for review. The purpose of this review by the Committee, as indicated in Chapter 2, section 8.3.3 (a) to (e) is to ensure, inter alia, that the interests of UNICEF are protected and that the procurement procedures in respect of the proposed contracts are in accordance with both the directives applying in such matters and with prudent business practices.

91. From a population of 56 purchase orders below $40,000 and placed at different times with various suppliers, 20 cases that exceeded the monetary limit were examined for compliance with the above-mentioned requirements. We noted that 10 out of the 20 cases (50 per cent) were not submitted for review by the Contracts Review Committee as required, mainly because of the difficulty of monitoring the accumulated purchase order value.

92. We recommended, and the Administration agreed, that a programme should be developed in the procurement data-base system that would notify procurement officers at the purchase order generating stage of any situation where the purchase order value with a single supplier is either approaching, or is likely to exceed, the $40,000 limit in any 30-day period. This would ensure the consistent adherence to the internal control procedure envisaged in the Manual, despite the difficulty in tracking small value purchase orders as they accumulate. In the interim, it was agreed that procurement officers would be instructed to monitor individual situations on a manual basis.

Field office operations

Improper custodial arrangement for drugs

93. We noted during our visit to a warehouse in one of the field offices where UNICEF drugs and equipment were stored that 27,900 sachets of Senasol Sodium Chloride (0.9 per cent WV mls) stockpiled in the warehouse for several months had expired variously in August and October 1989. In addition, 2,500 bottles of dextrose intravenous infusions delivered to the warehouse in November 1987 and due to expire in July 1990 had remained unutilized. The pharmacist in charge disclaimed knowledge of the presence of UNICEF drugs and equipment in the warehouse.

94. The storage of these items therefore appeared to have been wrongly placed under the private control of an employee of the warehouse (a stores assistant) who, at the time of our visit, was on vacation leave. The store records covering the UNICEF drugs and equipment were in his personal custody and could not be examined. In the same field office, a significant number of high value non-expendable property purchased locally in 1989 had not been included in the inventory list kept at the office.

95. We recommended that action should be taken to ensure that a formal and adequate custodial arrangement over UNICEF drugs and equipment is concluded with the management of the warehouse. The distribution of the expiring drugs was also advised in order to avoid a total loss.

96. The Administration gave assurances that a new country office has been established to facilitate UNICEF operations in that country. It was reviewing the situation and would take appropriate action to ensure the non-recurrence of the irregularity reported.

Expenditure outside original plan of operations

97. We observed that, outside the original plan of operations, UNICEF expended an amount of $1.3 million on a construction project, including housing for the project staff of a national Government. We were informed that this task was undertaken at the request of the Government to enable the staff to monitor project implementation effectively. However, we felt that it was necessary to conclude an appropriate agreement, or some other form of documentation to confirm officially the involvement of UNICEF in a project with such a high financial commitment.

98. The mandate of UNICEF binds it to assist in programmes that would directly benefit children and women. We therefore endorsed the recommendation of the UNICEF Office of Internal Audit that UNICEF refrain from contracting huge projects that might overburden its financial resources where counterpart contributions might not be forthcoming.

99. In its reply, the Administration maintained that its support for housing for the project staff has greatly helped to facilitate the implementation and monitoring of project activities in the host country. It stated further that while, in general, UNICEF does not favour construction activities, in exceptional cases, it had undertaken such activities in cases where circumstances were such that, without them, the success of the programme would be jeopardized.

100. The Administration has nevertheless reviewed its policy on support for construction activities and has issued a programme directive that these be undertaken only when exceptionally necessary. We were also informed that the absence of agreement on the transaction has been regularized through the exchange of letters with the Government concerned.

Payment for operational and administrative expenses

101. The agreement between the Government of a host country and UNICEF states, inter alia, that the Government agrees to make all arrangements for and to sustain all operational and administrative expenses or costs incurred with respect to receiving, unloading, warehousing, transportation and distribution of the supplies furnished by the Fund. We, however, observed that UNICEF had paid an equivalent of $US 30,793.25 for freight, handling and warehousing to vendors and transport organizations.

102. We considered that it was not the responsibility of UNICEF under the basic agreement to make such payments. We recommended the recovery of the amount and strict compliance with the terms and conditions of the agreement.

103. The Administration said that, in order not to delay the implementation of the programme as a result of inadequate regular Government funding, UNICEF in consultation with the donor, has decided to meet such expenditures in exceptional cases. The recovery of the amount is under active consideration with the recipient Government.

Greeting Card Operation

Non-award of contract to the lowest bidder

104. Our review indicated that in June 1988 a bid for the supply of pocket agenda was opened by the Greeting Card Operation at Geneva. An error was later detected in both the specification and the sample attached. Consequently, the bidding specifications were amended and fresh invitations extended to the first five lowest bidders.

105. However, as a result of inadequate lead time allowed by the requesting National Committees, who insisted on a specific delivery date, the first two lowest bidders were unable to take the "rush" order because they could not meet the required delivery time. The contract was therefore awarded to the third lowest bidder for $US 261,120.00 which was $25,500 above the offer made by the lowest bidder. An evaluation report disclosed that only 16.9 per cent of the items was delivered two weeks after the agreed delivery date. Delivery of the remainder was made seven weeks after the delivery date. The additional cost of $25,500 paid in anticipation for quick delivery was therefore not justified.

106. In order to ensure efficient procurement action, we recommended that requesting units should be advised always to allow adequate lead time so that materials can be procured under optimum delivery, price and quality conditions.

107. In addition, adequate care and professionalism should be exercised in the development of specifications and design.

108. The Administration agreed to the need to avoid cost increases when possible. It also explained that the bid in question concerned fund-raising, which is a new activity. The original standards therefore had to be reviewed in order to reflect the standards of the requesting National Committees.

Amendments on production orders after award of contracts

109. We realized that several amendments to production orders affecting both delivery dates and prices were effected after the contracts had been awarded. Our examination of 10 randomly selected cases revealed that up to 15 amendments occurred on purchase orders after they had been issued, changing delivery dates by periods ranging from 5 to 35 weeks. In one instance, the final amended purchase order showed an increase of 96 times over the value on the original one. However, the total value paid was within the Contract Review Committee's approved value of the lowest bid. The value on one purchase order increased from SwF 2,556.00 to SwF 84,933.50.

110. We recognized the Greeting Card Operation's anxiety to produce marketable goods at all times and hence, perhaps its readiness to accommodate the high rate of amendments. However, we saw frequent amendments to already awarded contracts as defeating the benefits of competitive bidding, for we are unable to see that manufacturers will give better production terms on contracts with smaller quantities. We accordingly emphasized that being guided by adherence to established past unit costs alone might not always give the best in production costs.

111. It was explained that the bids were based on global projected volumes according to the sales forecasts. With regard to purchase orders concerning various countries, an amendment was issued for each country in keeping with Greeting Card Operation practice for many years. The Administration agreed that quantity is a very important factor in obtaining lower prices. We were assured that the possibility of re-negotiating the cost with the supplier if the volume exceeds quantities awarded by the Contracts Review Committee would be explored.

Implementation of financial rule 114.1

112. As requested by the General Assembly in its resolution 44/183 of 19 December 1989, the Board reviewed the implementation of the above-mentioned rule. We noted that the personal accountability envisaged in United Nations financial rule 114.1 has also been fully articulated in the UNICEF Financial Regulations and Rules (rules 103.1 and 103.2), which became operational on 1 January 1988.

113. The review of cases of fraud and presumptive fraud for the biennium indicated that staff members were involved in various financial improprieties, ranging from pilferage of cash and other items, to overpayments arising from manipulation of disbursement records and misappropriation of gasoline coupons.

114. In all cases, the staff members concerned were dismissed and the amounts recovered, except in one case, where recovery action is pending. In consequence, therefore, the implementation of financial rule 114.1 by UNICEF in the enforcement of financial discipline seems to have been adequate and effective.

Write-offs of receivables

115. The Administration informed us that, after due consultation with UNICEF offices and, when appropriate, with donors, income had been adjusted to reflect reduction of accounts. Governmental and non-governmental receivables totalling $5.3 million were written off for the biennium 1988-1989. Of this amount, $0.5 million was for general resources, while $4.8 million was for supplementary funds. In addition, a total amount of $185,990.00 of prior years' accounts receivables was written off against Greeting Card Operation income in 1988-1989.

Losses and obsolete inventory

116. In addition, we were informed that $1.9 million was written off for various losses, of which $1.8 million pertained to the value of obsolete supplies at UNIPAC.

Cases of fraud or presumptive fraud

117. The Board was informed of three cases of fraud in 1989. In two of the cases, prompt action was taken to forestall any loss, while in the third case, recovery of the amount is being pursued from the staff member's entitlements. In all cases, the staff members involved in the fraud were either dismissed or separated.

Comments on matters dealt with in the 1987 report

118. We followed up, on a continuing basis during the biennium, on matters dealt with in the Board's report for 1987 1/ and noted that most of the recommendations have been implemented. However, in a few cases where further actions are required, these have been mentioned in the present report as appropriate.

Acknowledgement

119. The Board of Auditors wishes to express its appreciation for the co-operation and assistance extended to the auditors by the Executive Director, his officers and members of their staff.

(Signed) O. T. PREMPEH
Auditor-General of Ghana

(Signed) Eufemio C. DOMINGO
Chairman, Commission on Audit
of the Philippines

(Signed) Heinz Günter ZAVELBERG
President of the Federal Court of
Audit of the Federal Republic of
Germany

1/ See Official Records of the General Assembly, Forty-third Session, Supplement No. 5B (A/43/5/Add.2), sect. II.

III. AUDIT OPINION

We have examined the following appended financial statements, numbered I to VIII, properly identified, and relevant schedules of the United Nations Children's Fund for the financial period ended 31 December 1989. Our examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as we considered necessary in the circumstances.

As a result of our examination, we are of the opinion that the financial statements present fairly the financial position as at the end of the period and the results of its operations for the period then ended.

The financial statements were prepared in accordance with the stated accounting principles, which were applied on a basis consistent with that of the preceding financial period. The transactions were in accordance with the Financial Regulations and legislative authority.

(Signed) O. T. PREMPEH
Auditor-General of Ghana

(Signed) Eufemio C. DOMINGO
Chairman, Commission on Audit of the Philippines

(Signed) Heinz Günter ZAVELBERG
President of the Federal Court of Audit of the Federal Republic of Germany

IV. FINANCIAL STATEMENTS FOR THE BIENNIUM ENDED 31 DECEMBER 1989

STATEMENT I

Statement of income and expenditures for the biennium 1988-1989 ended 31 December 1989

(United States dollars)

		1988-1989			1986-1987 a/		
		General resources	Supplementary funds	Total	General resources	Supplementary funds	Total
INCOME							
Contributions from Governments	(schedule 1)	629 840 400.97	366 218 093.75	996 058 494.72	494 606 066.43	287 227 162.54	781 833 228.97
Contributions from non-governmental sources	(schedule 1)	47 183 320.00	139 926 718.80	187 110 038.80	54 559 612.90	90 399 593.20	144 959 206.10
Greeting Card and related operations							
Net income from operations	(note 3)	86 236 202.88	-	86 236 202.88	52 864 613.68	-	52 864 613.68
Income adjustment due to change in accounting method	(notes 4 and 5)	43 498 995.14	-	43 498 995.14	-	-	-
United Nations system			16 519 011.21	16 519 011.21	-	6 880 307.36	6 880 307.36
Other income	(schedule 2)	72 185 870.51		72 185 870.51	33 050 747.79		33 050 747.79
Translation adjustment		(18 265 194.40)	(4 763 935.63)	(23 029 130.03)	5 105 087.73	2 162 973.53	7 268 061.26
TOTAL INCOME		860 679 595.10	517 899 888.13	1 378 579 483.23	640 186 128.53	386 670 036.63	1 026 856 165.16
EXPENDITURES							
For programme co-operation from:							
General resources		458 714 499.92	-	458 714 499.92	367 353 215.11	-	367 353 215.11
Programme support services	(statement VII)	134 755 290.12	-	134 755 290.12	135 389 763.73	-	135 389 763.73
Supplementary funds other than United Nations system		-	427 779 554.52	427 779 554.52	-	316 747 692.24	316 747 692.24
United Nations system		-	14 147 931.61	14 147 931.61	-	8 618 958.02	8 618 958.02
Total programme co-operation		593 469 790.04	441 927 486.13	1 035 397 276.17	502 742 978.84	325 366 650.26	828 109 629.10
Administrative services	(statement VII)	108 548 295.17	-	108 548 295.17	91 041 709.29	-	91 041 709.29
Total expenditures before write-off and other charges	(statement V)	702 018 085.21	441 927 486.13	1 143 945 571.34	593 784 688.13	325 366 650.26	919 151 338.39
Write-off of pledges	(note 6)	532 649.31	4 778 770.29	5 311 419.60	1 263 831.56	12 673 545.07	13 937 376.63
Other charges					1 096 713.92		1 096 713.92
TOTAL EXPENDITURES		702 550 734.52	446 706 256.42	1 149 256 990.94	596 145 233.61	338 040 195.33	934 185 428.94
INCOME OVER EXPENDITURES		158 128 860.58	71 193 631.71	229 322 492.29	44 040 894.92	48 629 841.30	92 670 736.22

a/ Comparative figures consolidated to conform to current presentation.

Statements II to VIII and notes 1 to 17 form an integral part of this statement and should be read in conjunction with it.

(Signed) Kano YAMAMOTO
Comptroller

(Signed) James P. GRANT
Executive Director

STATEMENT IA

Statement of income and expenditures for the biennium ended 31 December 1989

(United States dollars)

		1989			1988		
		General resources	Supplementary funds	Total	General resources	Supplementary funds	Total
INCOME							
Contributions from Governments		329 459 471.58	168 978 965.01	498 438 436.59	300 380 929.39	197 239 128.74	497 620 058.13
Contributions from non-governmental sources		20 691 552.95	67 756 197.99	88 447 750.94	26 491 767.05	72 170 520.81	98 662 287.86
Greeting Card and related operations							
Net income from operations	(note 3)	49 179 733.07	-	49 179 733.07	37 056 469.81	-	37 056 469.81
Income adjustment due to change in accounting method:	(notes 4 and 5)						
Effect on 1988		-	-	-	34 793 432.64	-	34 793 432.64
Effect on prior years		-	-	-	8 705 562.50	-	8 705 562.50
United Nations system		-	10 168 977.81	10 168 977.81	-	6 350 033.40	6 350 033.40
Other income		38 198 585.60	-	38 198 585.60	33 987 284.91	-	33 987 284.91
Translation adjustment		(14 300 477.91)	(3 047 627.22)	(17 348 305.13)	(3 964 716.49)	(1 716 108.41)	(5 680 824.90)
TOTAL INCOME		423 228 865.29	243 856 313.59	667 085 178.88	437 450 729.81	274 043 574.54	711 494 304.35
EXPENDITURES							
For programme co-operation from:							
General resources		251 025 155.58	-	251 025 155.58	207 689 344.34	-	207 689 344.34
Programme support services		71 360 612.85	-	71 360 612.85	63 394 677.27	-	63 394 677.27
Supplementary funds other than United Nations system		-	240 568 535.03	240 568 535.03	-	187 211 019.49	187 211 019.49
United Nations system		-	9 528 931.46	9 528 931.46	-	4 619 000.15	4 619 000.15
Total programme co-operation		322 385 768.43	250 097 466.49	572 483 234.92	271 084 021.61	191 830 019.64	462 914 041.25
Administrative services		57 786 443.53	-	57 786 443.53	50 761 851.64	-	50 761 851.64
Total expenditures before write-off and other charges		380 172 211.96	250 097 466.49	630 269 678.45	321 845 873.25	191 830 019.64	513 675 892.89
Write-off of pledges	(note 6)	138 205.31	2 709 808.66	2 848 013.97	394 444.00	2 068 961.63	2 463 405.63
TOTAL EXPENDITURES		380 310 417.27	252 807 275.15	633 117 692.42	322 240 317.25	193 898 981.27	516 139 298.52
INCOME OVER EXPENDITURES		42 918 448.02	(8 950 961.56)	33 967 486.46	115 210 412.56	80 144 593.27	195 355 005.83

Statements II to VIII and notes 1 to 17 form an integral part of this statement and should be read in conjunction with it.

(Signed) Kano YAMAMOTO
Comptroller

(Signed) James P. GRANT
Executive Director

STATEMENT II

Comparative statement of assets, liabilities and fund balances as at 31 December 1989 and 31 December 1987 (consolidated)

(United States dollars)

		1989	1987
ASSETS			
Cash holdings	(schedule 3)	310 797 592.19	191 712 515.15
Contributions receivable:			
For current and prior years	(schedule 4)	222 870 613.22	169 182 992.06
For future years	(schedule 8)	53 154 261.35	135 519 485.24
Accounts receivable, advances and deposits	(schedule 6)	129 319 634.13	40 609 516.25
Inventories	(schedule 7)	34 252 555.71	43 859 940.74
Prepaid expenditures for Greeting Card and related operations	(note 4)	-	15 267 880.76
Capital assets	(note 17)	4 329 001.21	2 491 762.47
TOTAL ASSETS		754 723 657.62	598 644 092.67
LIABILITIES			
Contributions for following years pledged and received in advance	(schedule 8)	59 357 193.39	152 482 287.67
Income received in advance for Greeting Card and related operations		11 997 617.73	13 042 757.14
Accounts payable and other unliquidated obligations	(schedule 9)	44 469 883.52	37 756 739.88
Special accounts: Procurement services and other services	(schedules 10.1 and 10.2)	59 636 849.34	52 039 734.28
TOTAL LIABILITIES		175 461 543.98	255 321 518.97
FUND BALANCE	(statement III)	579 262 113.64	343 323 573.70
TOTAL LIABILITIES AND FUND BALANCE		754 723 657.62	598 645 092.67

Statements III to VIII and notes 1 to 17 form an integral part of this statement and should be read in conjunction with it, especially with regard to outstanding commitments. Statement V shows $649 million of commitments to be financed from future income.

(Signed) Kano YAMAMOTO
Comptroller

(Signed) James P. GRANT
Executive Director

STATEMENT IIA

Statement of assets, liabilities and fund balances
as at 31 December 1989

(United States dollars)

		General resources and supplementary funds	Capital assets fund
ASSETS			
Cash holdings	(schedule 3)	310 797 592.19	-
Contributions receivable:			
For current and prior years	(schedule 4)	222 870 613.22	-
For future years	(schedule 8)	53 154 261.35	-
Accounts receivable, advances and deposits	(schedule 6)	129 319 634.13	-
Inventories	(schedule 7)	34 252 555.71	-
Prepaid expenditures for Greeting Card and related operations	(note 4)		
Capital assets	(note 17)	37 202.88	4 291 798.14
TOTAL ASSETS		750 431 859.48	4 291 798.14
LIABILITIES			
Contributions for following years pledged and received in advance	(schedule 8)	59 357 193.39	-
Income received in advance for Greeting Card and related operations		11 997 617.73	-
Accounts payable and other unliquidated obligations	(schedule 9)	44 469 883.52	-
Special accounts: Procurement services and other services	(schedules 10.1 and 10.2)	59 636 849.34	-
TOTAL LIABILITIES		175 461 543.98	
FUND BALANCE	(statement III)	574 970 315.50	4 291 798.14
TOTAL LAIBILITIES AND FUND BALANCE		750 431 859.48	4 291 798.14

Statements III to VIII and notes 1 to 17 form an integral part of this statement and should be read in conjunction with it, especially with regard to outstanding commitments. Statement V shows $649 million of commitments to be financed from future income.

(Signed) Kano YAMAMOTO
Comptroller

(Signed) James P. GRANT
Executive Director

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STATEMENT III

Statement of fund balances for the biennium ended 31 December 1989

(United States dollars)

		General resources	Supplementary funds	Total
FUND BALANCE, 1 JANUARY 1988		100 529 081.40	242 794 492.30	343 323 573.70
Increase in insurance fund		50 000.00	-	50 000.00
Increase in procurement services - staff and related cost		300 000.00	-	300 000.00
Increase in medical insurance plan		1 198 057.30	-	1 198 057.30
Excess of income over expenditures for the year ended 31 December 1988	(statement IA)	115 210 412.56	80 144 593.27	195 355 005.83
FUND BALANCE, 31 DECEMBER 1988		217 287 551.26	322 939 085.57	540 226 636.83
Excess of income over expenditures for the year ended 31 December 1989	(statement IA)	42 918 448.02	(8 950 961.56)	33 967 486.46
Adjustment for capital assets fund		4 291 798.14	-	4 291 798.14
Increase in medical insurance plan		944 895.84	-	944 895.84
Decrease in procurement services - staff and related cost		(168 703.63)	-	(168 703.63)
FUND BALANCE, 31 DECEMBER 1989		265 273 989.63	313 988 124.01	579 262 113.64

COMPOSITION OF FUND BALANCE, 31 DECEMBER	1989	1988
General resources		
Unrestricted balance	262 268 805.18	216 704 376.98
Programme expenditures in excess of commitments on supplementary-funded projects	(4 835 863.20) a/	(2 189 869.82) b/
Fund for procurement services - staff and related cost	831 296.37	1 000 000.00
Revolving fund - special events	275 000.00	275 000.00
Fund for insurance	300 000.00	300 000.00
Fund for medical insurance plan	2 142 953.14	1 198 057.30
Fund for capital assets	4 291 798.14	
General resources balance	265 273 989.63	217 287 564.46
Supplementary funds balance		
Unspent commitments for ongoing projects	313 988 124.01	310 804 689.50
Unspent commitments for completed projects	-	12 134 396.07 b/
Supplementary fund balance	313 988 124.01	322 939 085.57
TOTAL FUND BALANCE	579 262 113.64	540 226 650.03

a/ E/ICEF/1990/AB/L.10.
b/ E/ICEF/1989/AB/L.12.

STATEMENT IV

Statement of cash flows for the biennium ended 31 December 1989

(United States dollars)

	1989	1988
INCREASE (DECREASE) IN CASH FROM:		
Total income	667 085 178.88	711 494 304.35
Total expenditures	(633 117 692.42)	(516 139 298.52)
Income over expenditures (statement IA)	33 967 486.46	195 355 005.83
Adjustments to reconcile net income to net cash provided by operating activities:		
Fund for medical insurance plan	944 895.84	1 198 057.30
Fund for procurement services - staff and related cost	(168 703.63)	300 000.00
Fund for insurance	-	50 000.00
Total adjustments	776 192.21	1 548 057.30
Contributions for current and prior years	(11 014 634.02)	(42 672 987.14)
Contributions for future year	42 517 746.88	39 847 477.01
Accounts receivable, advances and deposits	(10 696 558.85)	(78 013 559.03)
Income received in advance for Greeting Card and related operations	3 343 262.15	(4 388 401.56)
Prepaid expenditures for Greeting Card and related operations	-	15 267 880.76
Inventories	5 197 665.26	4 409 719.77
Contributions for following years pledged and received in advance	(97 245 516.56)	4 120 422.28
Accounts payable and other unliquidated obligations	5 884 882.27	828 261.37
Special accounts	8 154 607.01	(557 491.95)
Capital assets	2 116 764.03	338 795.56
Net funds from (used in) operations	(16 998 103.16)	136 083 180.20
Cash and cash equivalents at beginning of year	327 795 695.35	191 712 515.15
Cash and cash equivalents at end of year	310 797 592.19	327 795 695.35

STATEMENT V

Commitments for the biennium 1988-1989 (summary of statement VI)

(United States dollars)

	General resources	Supplementary funds: Governments and others	Supplementary funds: United Nations system	Total
Unspent balance of commitments as at 1 January 1988	728 408 463.81	381 173 875.72	9 466 117.53	1 119 048 457.06
Approved at the Executive Board sessions a/				
New commitments	831 907 973.00	-	-	831 907 973.00
Savings and deficits	16 824 065.94	-	-	16 824 065.94
Made between Executive Board sessions		415 276 537.42	13 369 333.99	428 645 871.41
Adjustments to commitments	(435 525.36)	530 475.71	(95 169.92)	(219.57)
Savings of 1988-1989 budget	(13 123 286.03)	-	-	(13 123 286.03)
Recovery from packing and assembly activities	(9 439 673.68)	-	-	(9 439 673.68)
	1 554 142 017.68	796 980 888.85	22 740 281.60	2 373 863 188.13
Expenditures	702 018 085.21	427 779 554.52	14 147 931.61	1 143 945 571.34
Unspent balance of commitments as at 31 December 1989	852 123 932.47	369 201 334.33	8 592 349.99	1 229 917 616.79
Fund balance as at 31 December 1989	262 268 805.18	307 429 274.02	6 558 849.99	576 256 929.19
Translation adjustment, 1987-1989	-	4 458 571.20	-	4 458 571.20
Subtotal	262 268 805.18	311 887 845.22	6 558 849.99	580 715 500.39
To be financed from future income	589 855 127.29	57 313 489.11	2 033 500.00	649 202 116.40

a/ E/ICEF/1988/P/L.1, E/ICEF/1988/P/L.41, E/ICEF/1989/P/L.1, E/ICEF/1989/P/L.33, E/ICEF/1989/P/L.38, E/ICEF/1989/AB/L.1, E/ICEF/1989/AB/L.12, PD/PST/89-103, PD/PST/90-1 and PD/PST/90-9.

STATEMENT VI

Programme co-operation: Statement of commitments, expenditures and unspent balances of commitments to be financed from general resources, supplementary funds and the United Nations system for the biennium 1988-1989 ended 31 December 1989

(United States dollars)

Area and country assistance	Unspent balances of commitments as at 1 January 1988	New commitments	Total	Expenditure	Unspent balances of commitments as at 31 December 1989
AFRICA					
Angola	11 923 127.60	11 483 202.27	23 406 329.87	14 380 049.32	9 026 280.55
Benin	3 648 927.26	5 268 710.40	8 917 637.66	3 579 226.63	5 338 411.03
Botswana	1 812 164.67	686 170.77	2 498 335.44	1 902 865.14	595 470.30
Burkina Faso	8 267 256.58	4 849 426.86	13 116 683.44	7 730 723.57	5 385 959.87
Burundi	532 829.81	10 044 412.69	10 577 242.50	4 673 848.16	5 903 394.34
Cameroon	3 547 353.11	1 135 312.76	4 682 665.87	2 200 444.44	2 482 221.43
Cape Verde	2 731 184.21	590 268.49	3 321 452.70	2 644 590.19	676 862.51
Central African Republic	1 939 011.55	5 399 223.74	7 338 235.29	3 497 527.77	3 840 707.52
Chad	6 177 071.89	4 044 051.54	10 221 123.43	5 217 184.59	5 003 938.84
Comoros	1 070 550.18	304 170.96	1 374 721.14	1 073 762.95	300 958.19
Congo	235 068.90	1 759 432 70	1 994 501.60	1 062 894.66	931 606.94
Côte d'Ivoire	1 347 962.29	1 632 269.53	2 980 231.82	930 830.55	2 049 401.27
Equatorial Guinea	161 862.88	795 999.69	957 862.57	524 741.10	433 121.47
Ethiopia	11 686 378.37	63 299 728.49	74 986 106.86	38 359 031.17	36 627 075.69
Gabon	28 484.78	(130 694.29)	(102 209.51)	(102 209.51)	-
Gambia	1 051 919.41	734 183.37	1 786 102.78	766 394.06	1 019 708.72
Ghana	5 432 754.55	1 224 618.10	6 657 372.65	3 349 680.05	3 307 692.60
Guinea	5 139 778.93	2 947 400.00	8 087 178.93	3 721 210.76	4 365 968.17
Guinea-Bissau	1 087 695.72	2 038 573.83	3 126 269.55	1 636 544.38	1 489 725.17
Kenya	5 781 647.20	12 876 515.45	18 658 162.65	5 966 623.83	12 691 538.82
Lesotho	1 899 857.43	1 819 395.84	3 719 253.27	1 635 946.16	2 083 307.11
Liberia	1 622 397.74	1 189 434.27	2 811 832.01	1 556 208.12	1 255 623.89
Madagascar	6 336 482.97	3 653 951.85	9 990 434.82	7 454 105.99	2 536 328.83
Malawi	2 742 532.27	8 702 412.95	11 444 945.22	5 568 475.30	5 876 469.92
Mali	4 299 680.48	18 592 509.65	22 892 190.13	10 645 713.62	12 246 476.51
Mauritania	1 292 503.47	3 697 730.06	4 990 233.53	2 549 362.22	2 440 871.31
Mauritius	636 964.63	4 260.00	641 224.63	441 073.87	200 150.76
Mozambique	20 945 593.04	24 263 385.17	45 208 978.21	21 025 367.82	24 183 610.39
Namibia		3 679 687.50	3 679 687.50	1 198 050.55	2 481 636.95
Niger	4 998 562.18	8 372 235.59	13 370 797.77	4 651 661.27	8 719 136.50
Nigeria	22 348 613.65	28 997 544.29	51 346 157.94	24 459 530.88	26 886 627.06
Rwanda	424 587.96	9 178 565.65	9 603 153.61	4 370 441.37	5 232 712.24
Sao Tome and Principe	386 055.08	497 911.63	883 966.71	140 992.59	742 974.12
Senegal	6 143 036.30	3 631 766.33	9 774 802.63	6 435 498.96	3 339 303.67
Seychelles	(1 514.69)	95 823.23	94 308.54	94 308.54	-
Sierra Leone	3 750 492.70	2 457 840.08	6 208 332.78	4 065 113.94	2 143 218.84
Somalia	3 100 035.73	8 648 094.58	11 748 130.31	5 432 053.52	6 316 076.79
Swaziland	624 090.49	1 923 870.82	2 547 961.31	950 416.58	1 597 544.73
Togo	2 379 714.58	4 376 735.00	6 756 449.58	1 590 773.04	5 165 676.54
Uganda	16 468 046.75	15 962 167.98	32 430 214.73	21 899 354.12	10 530 860.61
United Republic of Tanzania	45 097 155.01	10 468 570.64	55 565 725.65	26 880 395.80	28 685 329.85
Zaire	12 227 045.71	1 996 957.17	14 224 002.88	12 189 256.87	2 034 746.01
Zambia	4 050 693.78	4 753 571.61	8 804 265.39	5 620 110.69	3 184 154.70
Zimbabwe	7 764 366.86	998 977.30	8 763 344.16	4 169 703.20	4 593 640.96
Regional	2 427 920.35	15 848 540.34	18 276 460.69	4 186 036.86	14 090 423.83
Area total	245 567 944.36	314 794 916.88	560 362 861.24	282 325 915.69	278 036 945.55
EAST ASIA AND PAKISTAN					
Bangladesh	46 570 486.95	87 298 281.14	133 868 768.09	46 970 133.42	86 898 634.67
Cambodia	4 487 625.07	13 264 385.32	17 752 010.39	9 131 940.25	8 620 070.14
China	31 224 838.87	62 771 522.69	93 996 361.56	31 181 803.62	62 814 557.94
Democratic People's Republic of Korea	535 239.84	1 050 000.00	1 585 239.84	499 359.42	1 085 880.42
Indonesia	36 063 845.35	2 880 260.16	38 944 105.51	23 137 824.21	15 806 281.30
Lao People's Democratic Republic	4 853 496.71	2 186 094.62	7 039 591.33	2 989 864.55	4 049 726.78
Malaysia	49 251.24	1 270 323.00	1 319 574.24	217 653.92	1 101 920.32
Myanmar	16 906 121.44	4 798 021.10	21 704 142.54	12 567 183.42	9 136 959.12
Pacific island countries	1 101 720.77	3 911 989.80	5 013 710.57	2 055 349.21	2 958 361.36

STATEMENT VI (continued)

Area and country assistance	Unspent balances of commitments as at 1 January 1988	New commitments	Total	Expenditure	Unspent balances of commitments as at 31 December 1989
EAST ASIA AND PAKISTAN (continued)					
Pakistan	43 656 252.42	11 314 963.34	54 971 215.76	18 529 322.04	36 441 893.72
Papua New Guinea	146 518.60	1 703 228.98	1 849 747.58	878 482.96	971 264.62
Philippines	5 799 012.55	16 496 264.19	22 295 276.74	11 113 533.42	11 181 743.32
Republic of Korea	(26 698.59)	839 337.39	812 638.80	801 566.61	11 072.19
Thailand	6 668 484.00	11 697 355.95	18 365 839.95	7 912 769.59	10 453 070.36
Viet Nam	11 193 991.18	21 545 291.80	32 739 282.98	17 741 797.70	14 997 485.28
Regional	66 165.80	12 898 062.62	12 964 228.42	7 699 480.09	5 264 748.33
Area total	209 296 352.20	255 925 382.10	465 221 734.30	193 428 064.43	271 793 669.87
SOUTH CENTRAL ASIA					
Afghanistan	1 302 301.06	(161.28)	1 302 139.78	1 634 417.29	(332 277.51)
Bhutan	9 691 448.53	1 120 083.87	10 811 532.40	3 434 574.23	7 376 958.17
India	161 568 282.72	54 700 253.80	216 268 476.52	129 396 548.29	86 871 928.23
Maldives	1 368 943.23	728 547.35	2 097 490.58	1 451 281.70	646 208.88
Mongolia	198 855.90	-	198 855.90	78 328.59	120 527.31
Nepal	11 600 618.35	21 683 045.88	33 283 664.23	14 226 174.37	19 057 489.86
Sri Lanka	10 926 392.85	5 607 614.05	16 534 006.90	8 874 362.14	7 659 644.76
Area total	196 656 782.64	83 839 383.67	280 496 166.31	159 095 686.61	121 400 479.70
MIDDLE EAST AND NORTH AFRICA					
Algeria	1 000 156.95	40 280.00	1 040 436.95	855 933.97	184 502.98
Bahrain	83 069.85	-	83 069.85	32 396.29	50 673.56
Democratic Yemen	2 846 848.65	3 765 009.69	6 611 858.34	4 317 004.02	2 294 854.32
Djibouti	147 077.32	1 810 747.63	1 957 824.95	399 019.82	1 558 805.13
Egypt	8 369 983.15	18 729 777.42	27 099 760.57	7 116 172.08	19 983 588.49
Iran (Islamic Republic of)	16 013.43	6 394 911.16	6 410 924.59	5 160 870.44	1 250 054.15
Iraq	-	6 151 491.81	6 151 491.81	4 268 693.84	1 882 797.97
Jordan	654 511.07	-	654 511.07	592 238.30	62 272.77
Lebanon	9 715 673.46	636 361.93	10 352 035.39	7 380 004.17	2 972 031.22
Lebanon rehabilitation	(2 272 053.16)	4 578 733.69	2 306 680.53	1 880 704.28	425 976.25
Morocco	5 350 288.19	2 684 825.06	8 035 113.25	5 316 266.98	2 718 846.27
Oman	197 688.06	690 215.28	887 903.34	623 967.45	263 935.89
Palestinian children and mothers	1 389 779.67	1 891 662.74	3 281 462.41	2 309 147.55	972 314.86
Saudi Arabia	29 890.24	52 213.33	82 103.57	9 551.29	72 552.28
Sudan	20 828 005.79	36 860 863.79	57 688 869.58	38 593 620.06	19 095 249.52
Syrian Arab Republic	1 065 127.73	826 195.27	1 891 323.00	1 252 429.63	638 893.37
Tunisia	920 223.51	326 204.13	1 246 427.64	697 089.64	549 338.00
Turkey	583 352.29	2 031 670.06	2 615 022.35	1 428 243.14	1 186 779.21
Yemen	7 614 518.89	2 111 373.79	9 725 892.68	3 612 948.84	6 112 943.84
Regional	413 385.21	(162 180.00)	251 205.21	122 219.50	128 985.71
Area total	58 953 540.30	89 420 376.78	148 373 917.08	85 968 521.29	62 405 395.79
THE AMERICAS AND THE CARIBBEAN					
Argentina	1 731 402.50	200 000.00	1 931 402.50	931 102.78	1 000 299.72
Belize	270 183.49	(20 644.96)	249 538.53	152 042.59	97 495.94
Bolivia	1 738 331.91	9 394 482.24	11 132 814.15	5 187 925.03	5 944 889.12
Brazil	4 908 669.07	7 970 855.47	12 879 524.54	7 980 238.47	4 899 286.07
Chile	273 365.66	1 005 581.96	1 278 947.62	868 641.58	410 306.04
Colombia	1 314 416.56	7 743 668.12	9 058 084.68	3 726 175.75	5 331 908.93
Costa Rica	562 335.77	102 917.51	665 253.28	331 193.16	334 060.12
Cuba	248 508.73	-	248 508.73	248 508.73	-
Dominica	8 063.93	(474.18)	7 589.75	-	7 589.75
Dominican Republic	190 302.32	1 972 508.98	2 162 811.30	1 142 150.23	1 020 661.07
Ecuador	1 461 832.42	574 422.03	2 036 254.45	1 740 499.81	295 754.64
El Salvador	558 809.66	3 324 117.41	3 882 927.07	1 713 893.75	2 169 033.32
Grenada	5 073.08	(5 073.08)	-	-	-
Guatemala	2 304 751.72	1 660 589.87	3 965 341.59	2 087 713.99	1 877 627.60
Guyana	794 727.83	105 668.50	900 396.33	512 252.62	388 143.71

STATEMENT VI (concluded)

Area and country assistance	Unspent balances of commitments as at 1 January 1988	New commitments	Total	Expenditure	Unspent balances of commitments as at 31 December 1989
THE AMERICAS AND THE CARIBBEAN (continued)					
Haiti	1 737 634.31	5 851 479.06	7 589 113.37	5 108 794.46	2 480 318.91
Honduras	1 469 812.32	1 782 882.16	3 252 694.48	1 611 866.86	1 640 827.62
Jamaica	392 740.05	1 330 400.44	1 723 140.49	954 029.47	769 111.02
Mexico	1 786 937.78	4 313 962.08	6 100 899.86	4 026 473.25	2 074 426.61
Nicaragua	2 740 591.52	5 396 308.12	8 136 899.64	4 943 990.37	3 192 909.27
Panama	74 296.08	(84 138.43)	(9 842.35)	(26 371.52)	16 529.17
Paraguay	422 402.89	1 524 253.64	1 946 656.53	583 124.00	1 363 532.53
Peru	6 348 806.75	5 152 225.04	11 501 031.79	5 794 409.76	5 706 622.03
Saint Kitts and Nevis	4 109.00	-	4 109.00	4 109.00	-
Saint Lucia	18 138.38	(7 894.24)	10 244.14	-	10 244.14
Uruguay		299 469.03	299 469.03	29 532.58	269 936.45
Regional	25 411 563.58	24 768 387.37	50 179 950.95	27 873 957.07	22 305 993.88
Area total	56 777 807.31	84 355 954.14	141 133 761.45	77 526 253.79	63 607 507.66
1986 audited adjustments (National Committees for UNICEF)	(4 429 362.70)	4 429 362.70	-	-	-
Total for all areas	762 823 064.11	832 765 376.27	1 595 588 440.38	798 344 441.81	797 243 998.57
GLOBAL ASSISTANCE					
Food and nutrition surveillance	-	5 986 683.18	5 986 683.18	1 298 336.27	4 688 346.91
Regional women's projects	173 520.95		173 520.95	34 288.02	139 232.93
Project preparation and training	22 002 027.56	33 671 028.30	55 673 055.86	24 128 360.80	31 544 695.06
Emergency reserve fund a/	1 231 982.99	69 864.01	1 301 847.00	-	1 301 847.00
Training of communicators for child survival and development	882 306.87	237 639.75	1 119 946.62	371 401.88	748 544.74
Parliamentarians and the media		527 000.00	527 000.00	434 346.55	92 653.45
International Child Development Centre	88 728.23	8 326 765.71	8 415 493.94	2 361 984.94	6 053 509.00
Child survival and development	44 004 172.30	77 110 234.56	121 114 406.86	54 585 617.74	66 528 789.12
WHO/UNICEF joint nutrition	34 192 803.26	(5 481 242.91) b/	28 711 560.35	15 542 769.17	13 168 791.18
Essential drugs for primary health care in Africa	10 075 364.79	(122 231.09)	9 953 132.70	3 540 438.87	6 412 693.83
Total global assistance	112 650 905.95	120 325 741.51	232 976 647.46	102 297 544.24	130 679 103.22
TOTAL PROGRAMME ASSISTANCE	875 473 970.06	953 091 117.78	1 828 565 087.84	900 641 986.05	927 923 101.79
Programme support services	132 976 995.00	174 898 995.80	307 875 990.80	144 194 963.80	163 681 027.00
Administrative services	110 597 492.00	136 264 291.17	246 861 783.17	108 548 295.17	138 313 488.00
Recovery from packing and assembly activities	-	(9 439 673.68)	(9 439 673.68)	(9 439 673.68)	-
TOTAL BUDGET	243 574 487.00	301 723 613.29	545 298 100.29	243 303 585.29	301 994 515.00
TOTAL ASSISTANCE	1 119 048 457.06	1 254 814 731.07	2 373 863 188.13	1 143 945 571.34	1 229 917 616.79

(Footnotes to Statement VI on following page)

(Footnotes to Statement VI)

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a/ In 1988, the Executive Director made a total allocation of $3,571,355 from the Emergency Reserve Fund as follows: $750,000 to Afghanistan; $158,700 to the African emergency; $25,000 to Burkina Faso; $30,534 to Cameroon; $50,000 to Djibouti; $500,000 to the Islamic Republic of Iran; $500,000 to Iraq; $50 000 to Jamaica; $100,000 to Nicaragua; $30,000 to Paraguay; $100,000 to Peru; $87,121 to Rwanda; $250,000 to Sri Lanka; $640,000 to the Sudan; and $300,000 to Viet Nam.

In 1989, the Executive Director also made a total allocation of $2,698,153 from the Emergency Reserve Fund as follows: $500,000 to Afghanistan; $207,000 to the African emergency; $100,000 to Argentina; $19,830 to Benin; $25,000 to the Caribbean; $25,000 to Democratic Yemen; $48,718 to El Salvador; $500,237 to Ethiopia; $50,000 to Guatemala; $100,000 to Guyana; $200,000 to Mauritania; $100,000 to the Philippines; $647,368 to the Sudan; $75,000 to the Syrian Arab Republic; and $100,000 to the West Bank and Gaza.

b/ The commitment of $5,400,000 was transferred from the WHO/UNICEF joint nutrition project and to the food and nutrition surveillance project.

STATEMENT VII

Status of approved budget estimates for the 1988-1989 biennium
as at 31 December 1989

(United States dollars)

	Approved budget estimates	Obligations incurred a/ Programme support services	Obligations incurred a/ Administrative services	Unencumbered amounts
Budget expenditures				
Category 1 - Staff costs				
International staff costs	81 971 343.00	43 765 655.70	34 527 109.44	3 678 577.86
Local staff costs	76 654 645.00	39 486 032.71	31 150 877.32	6 017 734.97
Category 2 - General operating costs				
General operating costs (headquarters)	49 126 263.00	26 202 462.34	20 671 352.23	2 252 448.43
General operating costs (field)	44 651 877.00	24 731 219.44	19 510 675.81	409 981.75
Capital expenditures (headquarters)	2 548 657.00	1 421 126.27	1 121 138.98	6 391.75
Capital expenditures (field)	2 348 606.00	757 742.15	597 789.42	993 074.43
Amortization of balance in capital assets	-	1 228 725.07	969 351.97	(2 198 077.04)
Category 3 - Packing and assembly costs	8 565 154.00	6 602 000.12	-	1 963 153.88
Total all categories	265 866 545.00	144 194 963.80	108 548 295.17	13 123 286.03
Less:				
Recovery from packing and assembly activities b/	8 893 000.00	9 439 673.68	-	(546 673.68)
Income from packing and assembly activities	4 967 000.00	6 490 284.83	-	(1 523 284.83)
All other income	4 318 000.00	5 152 741.45	1 996 940.80	(2 831 682.25)
Contributions from assisted Governments towards local budget costs	1 500 000.00	1 039 613.57	784 269.89	(323 883.46)
Subtotal	19 678 000.00	22 122 313.53	2 781 210.69	(5 225 524.22)
Total	246 188 545.00	122 072 650.27	105 767 084.48	18 348 810.25

a/ Obligations were incurred as follows:

	1989	1988	Total
Programme support services	76 485 386.06	67 709 577.74	144 194 963.80
Administrative services (see statement I)	57 786 443.53	50 761 851.64	108 548 295.17
Total	134 271 829.59	118 471 429.38	252 743 258.97

b/

Programme support services	76 485 386.06	67 709 577.74	144 194 963.80
Less: Recovery from packing and assembly activities	5 124 773.21	4 314 900.47	9 439 673.68
Net programme support services (see statement I)	71 360 612.85	63 394 677.27	134 755 290.12

STATEMENT VIII

CAPITAL ASSETS FUND

Comparative statement of assets and fund balances
as at 31 December 1989 and 31 December 1987

(United States dollars)

	1989	1987
Assets		
Office buildings		
Dar es Salaam	181 038.70	181 038.70
Harare	394 847.05	394 847.05
New Delhi	1 812 847.63	1 812 847.63
Niamey	247 397.31	247 397.31
Port-au-Prince	186 036.90	186 036.90
Sana'a	268 276.56	268 276.56
Santiago	32 142.85	32 142.85
Subtotal	3 122 587.00	3 122 587.00
UNICEF housing		
Lagos	65 205.61	65 205.61
Harare	212 106.46	212 106.46
Kampala	250 000.00	250 000.00
Jakarta	226 407.23	226 407.23
Brasilia	146 476.57	146 476.57
Juba	21 617.96	21 617.96
Windhoek	247 397.31	-
Subtotal	1 169 211.14	921 813.83
Total assets	4 291 798.14	4 044 400.83
Liabilities		
Fund balance		
From regular budget appropriations:		
Prior periods	4 044 400.83	3 531 564.65
Current period	247 397.31	512 836.18
Total liabilities and fund balance, 31 December	4 291 798.14	4 044 400.83

Notes to the financial statements

Income and expenditures

1. Total income from contributions for the biennium ended 31 December 1989 was $1,199,687,544, an increase of $266,014,803, compared to the 1986-1987 biennium. Total income from contributions for the years ended 31 December 1988 and 31 December 1989 were $597,055,165 and $602,632,378, respectively.

2. Contributions for the biennium ended 31 December 1989 consisted of $677,023,720 for general resources and $522,663,822 for supplementary funds. Contributions for 1989 consisted of $350,151,025 for general resources and $246,904,140 for supplementary funds. Contributions for 1988 consisted of $326,872,686 for general resources and $275,759,681 for supplementary funds.

3. Net income from the Greeting Card and related operations for the biennium ended 31 December 1989 was $86,236,202. Net income from the Greeting Card and related operations for the year ended 31 December 1989 was $49,179,733. Net income from the Greeting Card and related operations for the year ended 31 December 1988 was $37,056,469.

4. In addition, a change in the accounting method for incorporating Greeting Card Operation accounts into UNICEF financial statements resulted in a one-time adjustment of an additional $43,498,995 in income for 1988. Prior to 1988, the actual net earnings of the Greeting Card Operation for its fiscal year ending 30 April were recorded as UNICEF income as at 31 December of the same year. In order to align the Greeting Card Operation accounting period with the UNICEF financial period ending 31 December, a one-time adjustment was made on the 1988 statements to include Greeting Card Operation income for the period of 1 May 1987 to 30 April 1988, plus the estimated income for the period of May 1988 to 31 December 1988; that is, income for a 20-month period. This resulted in the above-mentioned additional income in 1988 (see also the summary of significant accounting policies, paras. 8-13).

5. In order to highlight the effect of this change in the method of accounting for regular Greeting Card Operation earnings, income from the Greeting Card Operation is presented separately for the biennium 1988-1989.

6. The amount of $5,311,419 for 1988-1989, shown as write-off of pledges in statement I, consists of the following:

		General resources	Supplementary funds	Total
(a)	Balance of supplementary funds cancelled by donors		$ 3 378 080	$ 3 378 080
(b)	Balance of supplementary funds cancelled on completion of project		933 453	933 453
(c)	Unpaid pledges	$ 305 851	1 500	307 351
(d)	Overstatement of pledges	225 739		225 739
(e)	Adjustments and refunds	1 059	465 737	466 796
	Total write-off and adjustments	$ 532 649	$ 4 778 770	$ 5 311 419

7. Income from miscellaneous sources for the biennium ended 31 December 1989 was $72,185,871 (schedule 2). It consisted mainly of $46,537,618 in interest on funds held in interest-bearing deposits and in current accounts with banks, and $6,490,285 income from packing and assembly activities. These include the excess of the 6 per cent freight recovery over actual inward freight for procurement services, sales and the operations of the UNICEF Supply Division warehouse at Copenhagen.

8. The actual expenditures for the packing and assembly activities are reported as programme support services costs in statement VII. The 10 per cent surcharge on UNICEF programmes to cover programme support services costs for packing and assembly is offset against total programme support services costs, as reported on statement I and noted on statement VII.

9. Supplies packed by the Supply Division warehouse in Copenhagen in 1988-1989 were valued at $147,093,044, which includes an operational surcharge of 10 per cent to recover packing and warehousing costs (E/ICEF/1985/AB/L.1, para. 285) and a freight charge of 6 per cent. The surcharge is recorded separately in the accounts of UNICEF and reported as a reduction against programme support services costs. Of the total supplies shipped during the year, 65 per cent went as input to UNICEF country programmes and 35 per cent were delivered on a reimbursable basis on behalf of Governments, other agencies in the United Nations system and non-governmental organizations.

10. In statement I and schedule 2, the 1986-1987 amounts, which in the past were reflected on an annual basis, have been consolidated and comparatively presented with the 1988-1989 biennial amounts. Statement I A shows the 1988-1989 income and expenditures for each year. Statement II and a number of schedules supporting this statement reflect the account balances as of 31 December 1989 in comparison to the balances as of 31 December 1987.

Assets, liabilities and fund balances

11. Changes in the value of the United States dollar (the accounting unit) in relation to other currencies in which assets and liabilities were held resulted in a net decrease of $23,029,130 in the accounting value of these assets and liabilities during the biennium ended 31 December 1989. The strengthening of the United States dollar in relation to other currencies in which assets and liabilities were held resulted in 1989 in a net decrease of $17,348,305. The 1989 loss in accounting value exceeds the 1988 loss in accounting value by $11,667,480.

12. As of 31 December 1989, cash totalled $310,797,592 (statement II). Included in this amount is $59,636,849, held on behalf of donors, mainly for procurement of goods and services on a reimbursable basis. Cash details are given in schedule 3.

13. Contributions receivable for current and prior years totalled $222,870,613 as of 31 December 1989. Included in contributions receivable is $209,565,102 for supplementary funds, payment of which is normally related to the progress in implementing specific projects and occurs in accordance with payment schedules agreed upon with donors. Details and aging are given in schedules 4 and 5, respectively.

14. Contributions pledged and received in advance totalled $59,357,193 as of 31 December 1989. These contributions will be recorded as income in following years in accordance with the conditions specified in the relevant pledge. Details are given in schedule 8.

15. The aggregate of accounts receivable, advances and deposits as of 31 December 1989 totalled $129,319,634, including the accounts of the Greeting Card and related operations, which total $83,640,521 (see the summary of significant accounting policies, para. 11). Details are given in schedule 6.

16. The aggregate value of inventory as of 31 December 1989 totalled $34,252,556, consisting mainly of programme supplies in stock at the UNICEF Supply Division warehouse at Copenhagen and Greeting Card Operation stock. Details are given in schedule 7.

17. Capital assets reflected in the financial statements of 31 December 1989 consist of office buildings and staff housing presented at their acquisition cost, as well as Greeting Card Operation machinery and equipment that is depreciated over the estimated useful life of these assets (see the summary of significant accounting policies, para. 20-23 for UNICEF capital asset policies). Computer equipment acquired prior to 1987 at the cost of $3,363,419 and equipment acquired in 1988-1989 at the cost of $3,886,795 have been amortized and are not reflected in the statements. Details of UNICEF capital assets are given in statement VIII.

SCHEDULES TO THE FINANCIAL STATEMENTS

SCHEDULE 1

Contributions received or pledged for the biennium ended 31 December 1989

(United States dollars)

	General resources			Supplementary funds			
	Governments and inter-governmental agencies	Non-governmental sources	Total	Governments and inter-governmental agencies	Non-governmental sources	United Nations system	Total
Afghanistan	65 000.00	-	65 000.00	-	-	-	-
Algeria	130 000.00	-	130 000.00	-	-	-	-
Angola	8 000.00	-	8 000.00	-	3 038.48	-	3 038.48
Argentina	150 000.00	-	150 000.00	-	-	-	-
Australia	5 075 043.42	1 740.43	5 076 783.85	9 480 838.19	1 635 937.89	-	11 116 776.08
Austria	2 565 288.02	87 535.61	2 652 823.63	11 908.40	634 327.82	-	646 236.22
Bahamas	6 200.00	-	6 200.00	-	-	-	-
Bahrain	-	394.74	394.74	-	-	-	-
Bangladesh	19 321.31	4 082.79	23 404.10	-	-	-	-
Barbados	4 000.00	51.33	4 051.33	-	4 860.99	-	4 860.99
Belgium	3 533 887.35	1 613 591.23	5 147 478.58	400 000.00	2 174 763.86	-	2 574 763.86
Benin	1 500.00	399.39	1 899.39	-	-	-	-
Bhutan	11 550.00	-	11 550.00	-	-	-	-
Bolivia	5 000.00	-	5 000.00	59 000.00	-	-	59 000.00
Botswana	7 368.42	218.46	7 586.88	-	-	-	-
Brazil	300 000.00	739.22	300 739.22	52 000.00	3 441 336.27	-	3 493 336.27
British Virgin Islands	310.00	-	310.00	-	-	-	-
Brunei Darussalam	-	1 230.76	1 230.76	-	-	-	-
Bulgaria	77 945.66	-	77 945.66	-	-	-	-
Burkina Faso	2 853.97	-	2 853.97	-	-	-	-
Burundi	4 075.71	-	4 075.71	-	-	-	-
Byelorussian Soviet Socialist Republic	1 536 052.15	-	1 536 052.15	-	-	-	-
Canada	26 525 378.30	1 636.39	26 527 014.69	48 433 475.09	35 435 045.74	-	83 868 520.83
Cayman Islands	-	-	-	-	3 571.42	-	3 571.42
Central African Republic	4 601.23	-	4 601.23	-	1 572.33	-	1 572.33
Chile	140 000.00	-	140 000.00	-	-	-	-
China	1 150 000.00	1 851.24	1 151 851.24	-	-	-	-
Colombia	906 826.67	-	906 826.67	-	-	-	-
Comoros	3 000.00	-	3 000.00	-	-	-	-
Costa Rica	27 753.96	6.85	27 760.81	-	-	-	-
Côte d'Ivoire	47 169.81	244.64	47 414.45	-	-	-	-
Cuba	93 122.45	-	93 122.45	-	-	-	-
Cyprus	2 000.00	1 338.90	3 338.90	-	-	-	-
Czechoslovakia	209 409.19	21 881.84	231 291.03	-	-	-	-
Democratic People's Republic of Korea	45 558.32	-	45 558.32	-	-	-	-
Democratic Yemen	17 802.00	-	17 802.00	-	-	-	-
Denmark	24 374 727.84 a/	308 925.36	24 683 653.20	23 129 739.25	335 852.06	-	23 465 591.31
Djibouti	1 000.00	-	1 000.00	-	-	-	-
Dominica	1 101.40	-	1 101.40	-	-	-	-
Dominican Republic	-	34.76	34.76	-	-	-	-
Ecuador	50 407.00	-	50 407.00	-	-	-	-
Egypt	55 396.32	465.22	55 861.54	-	-	-	-
El Salvador	25 000.00	-	25 000.00	-	-	-	-
Ethiopia	98 550.72	-	98 550.72	-	-	-	-

SCHEDULE 1 (continued)

	General resources			Supplementary funds			
	Governments and inter-governmental agencies	Non-governmental sources	Total	Governments and inter-governmental agencies	Non-governmental sources	United Nations system	Total
Federated States of Micronesia	1 000.00	-	1 000.00	-	-	-	-
Fiji	2 115.95	12.83	2 128.78	-	-	-	-
Finland	50 205 181.70	129 566.74	50 334 748.44	7 038 258.23	2 354 263.61	-	9 392 521.84
France	11 801 214.51	11 934 933.81	23 736 148.32	1 065 964.67	2 374 202.68	-	3 440 167.35
German Democratic Republic	856 710.50	-	856 710.50	-	-	-	-
Germany, Federal Republic of	17 802 957.87	11 167 389.06	28 970 346.93	4 832 631.43	8 932 740.98	-	13 765 372.41
Ghana	10 000.00	-	10 000.00	-	-	-	-
Greece	300 000.00	91 459.55	391 459.55	-	63 097.75	-	63 097.75
Guatemala	20 637.33	6 531.47	27 168.80	-	-	-	-
Guyana	3 005.30	-	3 005.30	-	-	-	-
Holy See	3 000.00	-	3 000.00	-	-	-	-
Honduras	40 000.00	37.50	40 037.50	-	-	-	-
Hong Kong	38 829.95	26 575.44	65 405.39	-	-	-	-
Hungary	72 705.22	-	72 705.22	-	-	-	-
Iceland	46 081.58	-	46 081.58	-	-	-	-
India	4 152 089.96	247.43	4 152 337.39	-	-	-	-
Indonesia	894 464.08	1 613.05	896 077.13	-	-	-	-
Iraq	193 548.38	14 923.72	208 472.10	-	-	-	-
Ireland	346 392.12	371 725.09	718 117.21	-	131 162.94	-	131 162.94
Israel	100 000.00	-	100 000.00	-	-	-	-
Italy	69 993 587.71	2 542 830.47	72 536 418.18	58 900 037.88	1 573 228.13	-	60 473 266.01
Jamaica	6 165.01	200.00	6 365.01	-	1 025.64	-	1 025.64
Japan	39 860 000.00	6 460 859.14	46 320 859.14	10 678 509.39	12 776 533.50	-	23 455 042.89
Jordan	48 438.11	-	48 438.11	-	-	-	-
Kenya	38 747.11	-	38 747.11	-	-	-	-
Kuwait	200 000.00	-	200 000.00	-	-	-	-
Lao People's Democratic Republic	10 000.00	-	10 000.00	-	-	-	-
Lebanon	229.89	-	229.89	9 259.26	-	-	9 259.26
Lesotho	6 325.76	-	6 325.76	-	-	-	-
Liberia	15 000.00	-	15 000.00	-	-	-	-
Liechtenstein	6 000.00	-	6 000.00	-	-	-	-
Luxembourg	129 493.04	366 436.32	495 929.36	77 720.21	380 066.70	-	457 786.91
Madagascar	10 354.80	-	10 354.80	-	-	-	-
Malawi	2 105.26	18.38	2 123.64	-	-	-	-
Malaysia	168 660.00	15 806.45	184 466.45	-	-	-	-
Maldives	7 608.25	-	7 608.25	-	-	-	-
Malta	12 273.55	-	12 273.55	-	-	-	-
Mauritius	8 011.41	-	8 011.41	-	-	-	-
Mexico	170 080.73	700.46	170 781.19	-	62 749.67	-	62 749.67
Monaco	19 033.18	-	19 033.18	-	-	-	-
Mongolia	7 996.67	-	7 996.67	-	-	-	-
Morocco	188 215.51	-	188 215.51	-	-	-	-
Mozambique	47 956.68	-	47 956.68	-	-	-	-
Myanmar	474 895.37	565.81	475 461.18	-	-	-	-
Nepal	10 606.89	23.17	10 630.06	-	-	-	-
Netherlands	27 271 323.36	2 861 888.42	30 133 211.78	8 071 847.62	15 738 453.71	-	23 810 301.33
New Zealand	1 180 595.04	216 604.40	1 397 199.44	1 014 688.98	70 376.45	-	1 085 065.43
Nicaragua	4 707.14	-	4 707.14	-	-	-	-
Niger	11 400.99	-	11 400.99	-	-	-	-
Nigeria	575 256.91	237.68	575 494.59	6 124 681.06	43 478.26	-	6 168 159.32
Norway	63 591 944.60	20 096.18	63 612 040.78	28 461 176.57	147 418.69	-	28 608 595.26

SCHEDULE 1 (continued)

	General resources			Supplementary funds			
	Governments and inter-governmental agencies	Non-governmental sources	Total	Governments and inter-governmental agencies	Non-governmental sources	United Nations system	Total
Oman	-	538.58	538.58	50 223.96	110 991.32	-	161 215.28
Pakistan	304 194.77	636.69	304 831.46	-	-	-	-
Panama	25 000.00	5.00	25 005.00	-	-	-	-
Philippines	494 182.77	487.28	494 670.05	-	3 002.88	-	3 002.88
Poland	38 230.84	-	38 230.84	-	-	-	-
Portugal	40 000.00	35 664.20	75 664.20	-	2 822.74	-	2 822.74
Qatar	-	413.22	413.22	-	-	-	-
Republic of Korea	504 360.47	3 863.29	508 223.76	-	62 926.80	-	62 926.80
Romania	20 358.85	-	20 358.85	-	-	-	-
Rwanda	8 119.46	-	8 119.46	-	-	-	-
Saint Kitts and Nevis	1 750.00	-	1 750.00	-	-	-	-
Saint Lucia	10 384.14	-	10 384.14	-	-	-	-
Saint Maarten	-		-		250.00	-	250.00
San Marino	14 134.28	-	14 134.28	-	-	-	-
Saint Vincent and the Grenadines	2 250.00	-	2 250.00	-	-	-	-
Saudi Arabia	2 000 000.00	97 063.99	2 097 063.99	52 213.33	99 389.48	-	151 602.81
Senegal	6 000.00	-	6 000.00	-	-	-	-
Sierra Leone	6 090.06	12 092.07	18 182.13	-	-	-	-
Somalia	629.97	-	629.97	-	-	-	-
Spain	3 032 686.09	22 422.78	3 055 108.87	-	8 110 331.11	-	8 110 331.11
Sri Lanka	30 000.00	1 416.68	31 416.68	-	-	-	-
Sudan	20 227.27	1 710.09	21 937.36	-	304 731.36	-	304 731.36
Swaziland	5 617.62	-	5 617.62	-	-	-	-
Sweden	85 305 945.48	332 040.45	85 637 985.93	68 412 462.05	53 172.83	-	68 465 634.88
Switzerland	20 082 638.65	5 639 938.31	25 722 576.96	16 665 033.98	5 083 644.72	-	21 748 678.70
Syrian Arab Republic	33 482.13	-	33 482.13	-	-	-	-
Thailand	549 086.36	580.83	549 667.19	-	-	-	-
Togo	10 638.30	63.49	10 701.79	-	-	-	-
Tunisia	122 581.26	-	122 581.26	-	-	-	-
Turkey	100 575.03	63.51	100 638.54	-	-	-	-
Uganda	3 059.24	-	3 059.24	14 178.04	-	-	14 178.04
Ukrainian Soviet Socialist Republic	1 870 006.16	-	1 870 006.16	-	-	-	-
Union of Soviet Socialist Republics	17 321 236.70	-	17 321 236.70	-	-	-	-
United Arab Emirates	570 652.17	269.76	570 921.93	-	-	-	-
United Kingdom of Great Britain and Northern Ireland	26 457 477.49	53 125.14	26 510 602.63	19 438 622.27	4 242 956.20	-	23 681 578.47
United Republic of Tanzania	17 506.80	347.47	17 854.27	-	-	-	-
United States of America	111 800 000.00	2 430 094.13	114 230 094.13	38 962 221.21	33 336 633.68	-	72 298 854.89
Uruguay	20 000.00	-	20 000.00	-	-	-	-
Venezuela	114 666.66	-	114 666.66	-	-	-	-
Viet Nam	14 000.00	-	14 000.00	-	-	-	-
Yemen	42 584.61	307.69	42 892.30	-	-	-	-
Yugoslavia	504 578.94	1 014.81	505 593.75	-	-	-	-
Zaire	4 000.00	69.44	4 069.44	-	-	-	-
Zambia	47 128.64	-	47 128.64	-	-	-	-
Zimbabwe	35 191.12	173.41	35 364.53	-	-	-	-
Subtotal	629 840 400.97	46 912 054.04	676 752 455.01	351 436 691.07	139 729 958.69	-	491 166 649.76

SCHEDULE 1 (concluded)

	General resources			Supplementary funds			
	Governments and inter-governmental agencies	Non-governmental sources	Total	Governments and inter-governmental agencies	Non-governmental sources	United Nations system	Total
AGFUND	-	-	-	2 002 000.00	-	-	2 002 000.00
EEC	-	-	-	12 679 402.68	-	-	12 679 402.68
OPEC Fund	-	-	-	100 000.00	-	-	100 000.00
Sport Aid	-	-	-	-	140 146.27	-	140 146.27
Subtotal	-	-	-	14 781 402.68	140 146.27	-	14 921 548.95
UNITED NATIONS SYSTEM							
United Nations Secretariat	-	271 265.96	271 265.96	-	56 613.84	10 364 465.02	10 421 078.86
UNCDF, New York	-	-	-	-	-	4 749 756.19	4 749 756.19
UNDP, New York	-	-	-	-	-	632 950.00	632 950.00
UNDRO, Geneva	-	-	-	-	-	540 000.00	540 000.00
UNFPA, New York	-	-	-	-	-	231 840.00	231 840.00
Subtotal	-	271 265.96	271 265.96	-	56 613.84	16 519 011.21	16 575 625.05
Grand total	629 840 400.97 b/	47 183 320.00	677 023 720.97	366 218 093.75	139 926 718.80	16 519 011.21	522 663 823.76

SUMMARY

Governments and inter-governmental agencies	996 058 494.72
Non-governmental sources	187 110 038.80
United Nations system	16 519 011.21
Total	1 199 687 544.73

a/ The pledge of the Government of Denmark to UNICEF General resources was DKr. 187 million. Of this amount, DKr. 16,712,900 has been recorded to be offset against administrative expenditures incurred by the UNICEF facility at Copenhagen.

b/ Includes $1,823,883.46 contributed towards local budget costs.

SCHEDULE 2

Other income for the biennium 1988-1989 with comparative figures for the biennium 1986-1987

(United States dollars)

	1988-1989	1986-1987 a/
INCOME RELATED TO BUDGET EXPENDITURES b/		
Income from packing and assembly activities c/	6 490 284.83	4 152 098.81
Services to Greeting Card Operation	230 000.00	422 000.00
Adjustments of accounts payable related to prior year's budget	4 464 048.38	4 737 201.61
Agency commissions and reimbursement for services	1 104 744.69	2 113 534.10
Income from sale of films, books and other information materials	26 805.78	61 724.77
Income from sale of surplus and obsolete administrative property	488 486.01	647 454.45
Miscellaneous	655 597.39	745 769.65
Subtotal	13 639 967.08	12 879 783.39
INCOME RELATED TO PROGRAMME OPERATIONS		
Shipping and insurance claims received	57 509.76	161 171.00
Income from sale of surplus and programme property	338 079.71	264 661.20
Subtotal	395 589.47	425 832.20
INCOME RELATED TO FINANCIAL OPERATIONS		
Interest on current bank accounts and short-term investments	46 537 618.43	16 570 942.96
Cash discounts	524 265.57	601 229.08
Gains (losses) on foreign exchange transactions	8 615 645.58	2 527 408.92
Miscellaneous	4 361 139.84	1 328 063.33
Subtotal	60 038 669.42	21 027 644.29
Less: Losses written off	1 888 355.46	1 282 512.09
Total	72 185 870.51	33 050 747.79

a/ Comparative figures consolidated to conform to current presentation.

b/ Government contributions towards local budget costs totalled $1,823,883.46 in 1988 and 1989. These are Government contributions to UNICEF general resources (schedule 1) and are shown separately in statement VII.

c/ Income from packing and assembly activities does not include the 10 per cent operational surcharge for UNICEF programme expenditures. In statement VII, however, in order to present the status of approved estimates, the recovery from these activities is shown inclusive of the 10 per cent surcharge.

SCHEDULE 3

Cash holdings as at 31 December 1989

(United States dollar equivalent)

	Time remaining to maturity					
	At sight	2-7 days	8-30 days	31-90 days	Over 90 days	Total
IN CURRENT ACCOUNTS, CASH ON HAND AND IN TRANSIT						
Convertible currencies	(5 281 566.24) a/	-	-	-	-	(5 281 566.24)
Non-convertible currencies	39 663 496.22	-	-	-	-	39 663 496.22
Subtotal	34 381 929.98	-	-	-	-	34 381 929.98
AT CALL ACCOUNTS AND TIME DEPOSITS						
Belgian francs	1 577 461.31	-	1 066 666.67	-	-	2 644 127.98
Danish kroner	3 966 899.10	-	-	-	-	3 966 899.10
Netherlands guilders	3 589 744.06	-	-	-	-	3 589 744.06
Deutsche mark	4 701 888.76	-	-	-	-	4 701 888.76
European currency units	1 377 459.02	-	-	-	5 668 934.24	7 046 393.26
Finnish markkaa	679 105.03	-	-	-	-	679 105.03
French francs	2 318 171.62	-	-	-	-	2 318 171.62
Italian lire	3 623 424.82	-	-	-	-	3 623 424.82
Japanese yen	-	-	5 244 755.25	-	-	5 244 755.25
Norwegian kroner	1 012 987.26	-	365 497.07	365 497.08	-	1 743 981.41
Swedish kronor	1 498 012.26	-	468 750.00	-	-	1 966 762.26
Swiss francs	4 519 972.07	-	-	-	-	4 519 972.07
Pounds sterling	5 435 783.34	-	-	-	-	5 435 783.34
United States dollars	20 886 045.30	15 700 000.00	51 000 000.00	62 000 000.00	78 221 881.00	227 807 926.30
Other convertible currencies	924 403.03	-	-	-	-	924 403.03
Other non-convertible currencies	202 323.92					202 323.92
Subtotal	56 313 680.90	15 700 000.00	58 145 668.99	62 365 497.08	83 890 815.24	276 415 662.21
Total	90 695 610.88	15 700 000.00	58 145 668.99	62 365 497.08	83 890 815.24	310 797 592.19
SUMMARY						
Currencies of unrestricted use						270 931 772.05
Currencies of restricted use						39 865 820.14
						310 797 592.19

a/ Credit total due to balances in zero balance bank accounts.

SCHEDULE 4

Contributions receivable for general resources and supplementary funds, current and prior years as at 31 December 1989

(United States dollars)

	General resources			Supplementary funds			Grand total
	Governments and inter-governmental agencies	Non-governmental sources	Total	Governments and inter-governmental agencies	Non-governmental sources	Total	General resources and supplementary funds
Afghanistan	5 000.00	-	5 000.00	-	-	-	5 000.00
Algeria	8 000.00	-	8 000.00	-	-	-	8 000.00
Angola	3 000.00	-	3 000.00	-	-	-	3 000.00
Argentina	150 000.00	-	150 000.00	-	-	-	150 000.00
Bahrain	7 500.00	-	7 500.00	-	-	-	7 500.00
Belgium	1 733 333.33	-	1 733 333.33	400 000.00	-	400 000.00	2 133 333.33
Bhutan	11 550.00	-	11 550.00	-	-	-	11 550.00
Bolivia	1 000.00	-	1 000.00	-	-	-	1 000.00
Brazil	100 000.00	-	100 000.00	-	-	-	100 000.00
Burkina Faso	7 228.76	-	7 228.76	-	-	-	7 228.76
Cameroon	98 039.22	-	98 039.22	-	-	-	98 039.22
Canada	-	-	-	16 407 164.50	7 173 457.47	23 580 621.97	23 580 621.97
Chile	80 000.00	-	80 000.00	-	-	-	80 000.00
Colombia	84 929.40	-	84 929.40	-	-	-	84 929.40
Comoros	3 000.00	-	3 000.00	-	-	-	3 000.00
Cuba	63 211.13	-	63 211.13	-	-	-	63 211 .13
Cyprus	1 000.00	-	1 000.00	-	-	-	1 000.00
Democratic People's Republic of Korea	22 727.27	-	22 727.27	-	-	-	22 727.27
Denmark	-	-	-	5 271 863.40	-	5 271 863.40	5 271 863.40
Djibouti	1 000.00	-	1 000.00	-	-	-	1 000.00
Ecuador	25 824.17	-	25 824.17	-	-	-	25 824.17
Fiji	2 000.00	-	2 000.00	-	-	-	2 000.00
France	490 998.36	-	490 998.36	621 931.26	-	621 931.26	1 112 929.62
Germany, Federal Republic of	-	-	-	558 659.22	169 659.00	728 318.22	728 318.22
Guatemala	30 000.00	-	30 000.00	-	-	-	30 000.00
Guyana	22.59	-	22.59	-	-	-	22.59
Holy See	2 000.00	-	2 000.00	-	-	-	2 000.00
Iran (Islamic Republic of)	50 000.00	-	50 000.00	-	-	-	50 000.00
Israel	50 000.00	-	50 000.00	-	-	-	50 000.00
Italy	-	-	-	48 289 059.26	-	48 289 059.26	48 289 059.26

SCHEDULE 4 (continued)

	General resources			Supplementary funds			Grand total
	Governments and inter-governmental agencies	Non-governmental sources	Total	Governments and inter-governmental agencies	Non-governmental sources	Total	General resources and supplementary funds
Kenya	18 232.56	-	18 232.56	-	-	-	18 232.56
Kuwait	600 000.00	-	600 000.00	-	-	-	600 000.00
Lao People's Democratic Republic	15 000.00	-	15 000.00	-	-	-	15 000.00
Lesotho	1 325.76	-	1 325.76	-	-	-	1 325.76
Liberia	5 000.00	-	5 000.00	-	-	-	5 000.00
Madagascar	2 209.60	-	2 209.60	-	-	-	2 209.60
Morocco	-	-	-	95 221.47	-	95 221.47	95 221.47
Netherlands	-	-	-	4 894 044.85	647 960.19	5 542 005.04	5 542 005.04
Nigeria	176 025.49	-	176 025.49	-	-	-	176 025.49
Norway	-	-	-	1 023 391.82	-	1 023 391.82	1 023 391.82
Oman	50 000.00	-	50 000.00	-	-	-	50 000.00
Pakistan	118 857.14	-	118 857.14	-	-	-	118 857.14
Panama	25 000.00	-	25 000.00	-	-	-	25 000.00
Philippines	49 311.93	-	49 311.93	-	-	-	49 311.93
Romania	19 620.66	-	19 620.66	-	-	-	19 620.66
Senegal	18 000.00	-	18 000.00	-	-	-	18 000.00
Somalia	535.08	-	535.08	-	-	-	535.08
Sudan	10 227.27	-	10 227.27	-	-	-	10 227.27
Suriname	2 824.86	-	2 824.86	-	-	-	2 824.86
Swaziland	2 651.52	-	2 651.52	-	-	-	2 651.52
Sweden	-	-	-	42 356 125.16	-	42 356 125.16	42 356 125.16
Switzerland	-	-	-	4 501 461.66	-	4 501 461.66	4 501 461.66
Trinidad and Tobago	5 882.35	-	5 882.35	-	-	-	5 882.35
Turkey	21 014.49	-	21 014.49	-	-	-	21 014.49
Uganda	2 985.07	-	2 985.07	-	-	-	2 985.07
United Kingdom of Great Britain and Northern Ireland	-	-	-	390 625.00	-	390 625.00	390 625.00
United States of America	900 000.00	-	900 000.00	28 032 024.01	11 541 440.24	39 573 464.25	40 473 464.25
Viet Nam	7 000.00	-	7 000.00	-	-	-	7 000.00
Yugoslavia	250 000.00	-	250 000.00	-	-	-	250 000.00
Zaire	4 000.00	-	4 000.00	-	-	-	4 000.00
Zimbabwe	16 143.50	-	16 143.50				16 143.50
Subtotal	5 353 211.51	-	5 353 211.51	152 841 571.61	19 532 516.90	172 374 088.51	177 727 300.02

SCHEDULE 4 (concluded)

	General resources			Supplementary funds			Grand total
	Governments and intergovernmental agencies	Non-governmental sources	Total	Governments and intergovernmental agencies	Non-governmental sources	Total	(general resources and supplementary funds)
AGFUND	7 952 300.00	-	7 952 300.00	4 037 400.00	-	4 037 400.00	11 989 700.00
EEC	-	-	-	27 799 489.09	-	27 799 489.09	27 799 489.09
OPEC Fund	-	-	-	182 142.72	-	182 142.72	182 142.72
Subtotal	7 952 300.00	-	7 952 300.00	32 019 031.81	-	32 019 031.81	39 971 331.81
UNITED NATIONS SYSTEM							
United Nations Secretariat	-	-	-	-	600 000.00	600 000.0	600 000.00
UNCDF, New York	-	-	-	-	3 463 531.56	3 463 531.56	3 463 531.56
UNDP, New York	-	-	-	-	844 766.09	844 766.09	844 766.09
UNFPA, New York	-	-	-	-	83 967.49	83 967.49	83 967.49
UNHCR, Geneva	-	-	-	-	47 588.89	47 588.89	47 588.89
World Bank	-	-	-	-	132 127.36	132 127.36	132 127.36
Subtotal	-	-	-	-	5 171 981.39	5 171 981.39	5 171 981.39
Total	13 305 511.51	-	13 305 511.51	184 860 603.42	24 704 498.29	209 565 101.71	222 870 613.22

SUMMARY

Governments and intergovernmental agencies	198 166 114.93
Non-governmental sources	19 532 516.90
United Nations System	5 171 981.39
Total	222 870 613.22

SCHEDULE 5

Aging of contributions receivable as at 31 December 1989

(United States dollars)

	1986 and prior years	1987	1988	1989	Total
General resources					
Governments and inter-governmental agencies	8 306 595.78	404 831.96	790 823.79	3 803 259.98	13 305 511.51
Supplementary funds					
Governments and inter-governmental agencies	13 314 897.86	27 591 881.00	58 239 409.35	85 714 415.21	184 860 603.42
Non-governmental sources	707 864.94	246 491.22	2 708 150.18	15 870 010.56	19 532 516.90
United Nations system	1 682 113.90	296 660.00	1 203 640.00	1 989 567.49	5 171 981.39
Subtotal	15 704 876.70	28 135 032.22	62 151 199.53	103 573 993.26	209 565 101.71
Total	24 011 472.48	28 539 864.18	62 942 023.32	107 377 253.24	222 870 613.22

SCHEDULE 6

Accounts receivable, advances and deposits as at 31 December 1989
with comparative figures for 31 December 1987

(United States dollars)

		1989	1987
Accounts receivable			
From the United Nations and specialized agencies for supplies and advances for fellowships and other jointly assisted projects		1 726 285.61	3 003 039.10
From non-governmental organizations for fund-raising campaigns			
National committees for UNICEF	(note 15)	83 640 521.35	894 240.72
From Governments - other		606 349.82	206 727.11
For shipping and insurance claims		88 598.36	36 318.98
Miscellaneous		2 687 996.72	1 361 536.34
From banks - accrued interest		3 379 467.58	1 463 322.72
From Governments, United Nations agencies and other organizations for special accounts		24 746 186.17	26 071 833.71
Total accounts receivable		116 875 405.61	33 037 018.68
Deposits and prepayments for office services		12 038 744.10	7 325 680.86
Advances			
To suppliers for goods purchased and freight		405 484.42	246 816.71
Grand total		129 319 634.13	40 609 516.25

SCHEDULE 7

Inventories as at 31 December 1989 with comparative figures for 31 December 1987

(United States dollars)

	1989	1987
UNICEF programme supplies		
UNICEF Procurement and Assembly Centre, Copenhagen		
In stock	25 261 414.34	24 556 101.22
In transit	927 308.17	1 918 892.04
	26 188 722.51	26 474 993.26
Packing materials	200 859.07	174 957.00
Total stocks in the UNICEF Procurement and Assembly Centre and in transit	26 389 581.58	26 649 950.26
Stocks in other locations		
With suppliers	23 727.06	43 177.26
	26 413 308.64	26 693 127.52
Greeting Card Operation		
Raw materials	2 880 369.62	3 079 539.29
Products in process	1 028 670.66	801 252.00
Finished goods	3 930 206.79	13 286 021.93
	7 839 247.07	17 166 813.22
Total inventories	34 252 555.71	43 859 940.74

SCHEDULE 8

Contributions for following years pledged/received in advance
as at 31 December 1989

(United States dollars)

	Pledged	Received in advance	Total
GOVERNMENTS AND INTERGOVERNMENTAL AGENCIES			
Canada	13 517.07	1 776 970.75	1 790 487.82
Denmark	19 595 912.00	4 083 220.00	23 679 132.00
Germany, Federal Republic of	782 122.91		782 122.91
Hong Kong		4 741.85	4 741.85
Italy	3 504 134.15		3 504 134.15
Sweden	7 734 114.57		7 734 114.57
Switzerland	6 648 843.60		6 648 843.60
United Republic of Tanzania		5 462.43	5 462.43
United States of America	521 898.84	120 231.41	642 130.25
Subtotal	38 800 543.14	5 990 626.44	44 791 169.58
AGFUND	37 000.00		37 000.00
EEC	6 745 666.44		6 745 666.44
Subtotal	6 782 666.44		6 782 666.44
NON-GOVERNMENTAL SOURCES			
Canada	2 921 264.64	201 876.92	3 123 141.56
Netherlands	176 287.13		176 287.13
United States of America	2 440 000.00	10 428.68	2 450 428.68
Subtotal	5 537 551.77	212 305.60	5 749 857.37
UNITED NATIONS SYSTEM			
UNCDF	2 033 500.00		2 033 500.00
Subtotal	2 033 500.00		2 033 500.00
Grand total	53 154 261.35	6 202 932.04	59 357 193.39

SCHEDULE 9

Accounts payable and other unliquidated obligations as at 31 December 1989 with comparative figures for 31 December 1987

(United States dollars)

	1989	1987
Accounts payable		
To the United Nations and specialized agencies mainly for staff salaries and related allowances	5 927 740.33	6 142 362.03
For supplies and equipment - suppliers	13 448 827.66	9 523 771.86
For supplies and equipment - United Nations	1 181 701.25	1 391 831.64
Freight	3 780 989.97	974 979.49
Miscellaneous	3 524 753.37	7 216 877.75
Unliquidated obligations		
Budgetary obligations outstanding	13 680 316.15	10 290 236.25
Greeting Card Operation obligations outstanding	2 825 554.79	2 116 680.86
Provision made for amounts payable to staff members under the tax equalization plan	100 000.00	100 000.00
Total	44 469 883.52	37 756 739.88

SCHEDULE 10.1

Special accounts for procurement services and other activities (summary of 1988 and 1989 transactions)

(United States dollars)

Donors	Balance as at 1 January 1988 a/	Received	Funds advanced/ pledged	Total funds available	Expenditure	Funds returned/ transferred	Balance as at 31 December 1989
GOVERNMENTS AND INTERGOVERNMENTAL AGENCIES							
AGFUND	219 022.52		110 523.90	329 546.42	248 390.10		81 156.32
Afghanistan	186 695.06	29 189.40		215 884.46	199 260.93		16 623.53
Argentina		62 500.00		62 500.00	62 111.62		388.38
Australia	766 822.01	272 542.23		1 039 364.24	852 593.41		186 770.83
Bangladesh	3 880 828.13	9 745 017.62		13 625 845.75	6 166 829.47	241 503.22	7 217 513.06
Belgium	339 083.96	16 496.00		355 579.98	287 730.75		67 849.23
Belize	9 979.78			9 979.78			9 979.78
Benin		14 528.80		14 528800	13 884.03		644.77
Bhutan		165 520.08	114 701.76	280 221.84	280 221.84		
Bolivia	211 812.30	1 704 285.74	231 810.36	2 147 908.40	1 966 824.62	4 190.00	176 893.78
Botswana	24 946.67			24 946.67			24 946.67
Brazil	40 714.65	332 499.00		373 213.65	284 154.81	36 583.68	52 475.16
Burkina Faso	59 721.84	11 249.85		70 971.69	56 882.76	13 318.72	770.21
Cambodia	24 913.00			24 913.00		24 913.00	
Cameroon			5.94	5.94	5.94		
Canada	524 424.27	1 214 463.29		1 738 887.56	1 406 924.43		331 963.13
Central African Republic	10 565.86	29 415.52		39 981.38	25 705.06	12 626.39	1 649.93
Colombia		268 840.00		268 840.00	189 023.64		79 816.36
Comoros	107 861.56	6 554.84		114 416.40	108 179.98		6 236.42
Congo			920.69	920.69	920.69		
Costa Rica	32 900.48			32 900.48	26 258.20		6 642.28
Cuba		9 675.80		9 675.80			9 675.80
Democratic Yemen	254 991.91	2 235 869.73		2 490 861.64	2 178 314.37		312 547.27
Denmark	841 539.72	1 801 956.15		2 643 495.87	1 703 745.45	139 912.22	799 838.20
Dominica	78.29	3.22		81.51	(0.87)		82.38
Ecuador	34 806.59			34 806.59	32 221.38		2 585.21
Egypt		23 110.37		23 110.37	15 800.00		7 310.37
Ethiopia	232 165.17	451 969.47		684 134.64	342 167.72	4 037.99	337 928.93
Finland	72 731.06	397 868.25	16 560.42	487 159.73	419 674.51		67 485.22
France	418 824.94	679 270.79		1 098 095.73	555 761.89		542 333.84
Gabon		13 682.69		13 682.69	12 309.79		1 372.90
Gambia	3 166.31	179 559.39		182 725.70	164 685.35		18 040.35
Germany, Federal Republic of	177 466.76	2 509 337.37	1 515 069.52	4 201 873.65	1 836 529.86		2 365 343.79
Ghana	3 670 210.80	932 038.02		4 602 248.82	2 823 952.32	78 860.79	1 699 435.71
Guatemala	843.78			843.78	763.22		80.56
Guinea		217 961.91		217 961.91	188 457.70		29 504.21
Guinea-Bissau	283.96			283.96			283.96
Guyana	3 709.48			3 709.48			3 709.48
Haiti	29 500.13	141 243.07		170 743.20	122 104.61	17 710.14	30 928.45
Honduras	10 924.41	63 569.23	2 104.20	76 597.84	63 717.73	1 938.92	10 941.19

SCHEDULE 10.1 (continued)

Donors	Balance as at 1 January 1988 a/	Received	Funds advanced/ pledged	Total funds available	Expenditure	Funds returned/ transferred	Balance as at 31 December 1989
India	1 673.98	2 336 636.21		2 338 310.19	2 075 719.22	1 673.97	260 917.00
Indonesia	148 423.50			148 423.50	71 821.14		76 602.36
Iran (Islamic Republic of)	6 680.16			6 680.16			6 680.16
Iraq	317 906.70	1 346 425.00		1 664 331.70	1 382 226.68		282 105.02
Ireland	4 834.58	27 342.01		32 176.59	25 422.15	4 567.99	2 186.45
Italy	23 745 420.68	22 619 058.00	18 258 196.11	64 622 674.79	42 833 431.86		21 789 242.93
Jamaica	9 863.45	142 994.84		152 858.29	137 721.01		15 137.28
Japan	163 554.52	1 319 814.22		1 483 368.74	1 345 733.06		137 635.68
Kenya	284 602.69	78 935.87		363 538.56	124 343.66	222 603.31	16 591.59
Kiribati	26 158.00			26 158.00	23 832.55		2 325.45
Lesotho	23 608.15	158 430.78		182 038.93	116 956.70	32 393.06	32 689.17
Liberia	164 184.88	138 565.00		302 749.88	237 204.37		65 545.51
Libyan Arab Jamahiriya		162 337.66		162 337.66	138 100.33		24 237.33
Madagascar	79 903.06	195 054.60		274 957.66	259 504.07		15 453.59
Malawi		12 394.12		12 394.12			12 394.12
Mali	87 811.69	576 507.03		664 318.72	324 779.78	93 695.42	245 843.52
Mauritania	41 581.53			41 581.53	34 002.13		7 579.40
Mexico	5 984.91	2 277.00		8 261.91	5 469.00	394.63	2 398.28
Micronesia		12 460.35	4 151.65	16 612.00	9 816.65		6 795.35
Morocco	177 044.49			177 044.49	85 431.84		91 612.65
Mozambique	3 894.74			3 894.74	3 869.51		25.23
Myanmar	28 600.01	2 013 431.49		2 042 031.50	550 898.00		1 491 133.50
Nepal	126 908.51	360 823.15	369 717.52	857 449.18	813 943.49	1 395.52	42 110.17
Netherlands	55 361.02	778 563.35	2 058.95	835 983.32	729 368.64		106 614.68
Nicaragua	280.61			280.61			280.61
Nigeria	3 071 014.18	8 826 682.48	34 922.87	11 932 619.53	6 154 906.51	6 587.62	5 771 125.40
Norway	129 655.13	208 660.94		338 316.07	280 189.08		58 126.99
Oman	28 052.54	326 048.88		354 101.42	269 219.94	24 445.35	60 436.13
OPEC Fund		213 191.24	202 808.76	416 000.00	258 636.50		157 363.50
Pakistan	2 745 946.98	2 942 824.23		5 688 771.21	3 780 716.80	(3 900.85)	1 911 955.26
Papua New Guinea	10 582.91		(195.91)	10 387.00			10 387.00
Paraguay	361.60			361.60			361.60
Peru	108 314.75	535.59	5 990.61	114 840.95	110 636.48	818.88	3 385.59
Philippines	68 302.83	159 207.74		227 510.57	159 000.00		68 510.57
Poland	71 639.52			71 639.52		71 639.52	
Portugal	3 719.99	2 387.00		6 106.99	1 421.45	3 719.99	965.55
Rwanda	53 953.02			53 953.02	47 845.81		6 107.21
Saint Kitts and Nevis		6 160.00		6 160.00	5 304.34		855.66
Seychelles	4 035.08	8 124.00		12 159.08	7 056.91		5 102.17
Sierra Leone	619 492.15	653 360.31		1 272 852.46	946 190.85		326 661.61
Somalia	67 148.84	576 595.14		643 743.98	482 190.59	24 926.11	136 627.28
Sri Lanka	31 622.44	(4.46)		31 617.98	16 937.51		14 680.47
Sudan	2 302 662.08	4 097 929.98		6 400 592.06	5 008 810.63	207 662.16	1 184 119.27
Syrian Arab Republic		42 500.00		42 500.00			42 500.00
Swaziland		56 823.06		56 823.06	54 549.23		2 273.83
Sweden	20 609.04	990 624.05	24 748.59	1 035 981.68	931 501.74	27 639.43	76 840.51
Switzerland	7 248.82	111 104.84	7 161.56	125 515.22	125 515.22		

SCHEDULE 10.1 (concluded)

Donors	Balance as at 1 January 1988 a/	Received	Funds advanced/ pledged	Total funds available	Expenditure	Funds returned/ transferred	Balance as at 31 December 1989
Thailand	2 955.89			2 955.89			2 955.89
Tunisia	16.60	9 870.00		9 886.60	9 068.33		818.27
Turkey	10 444.80	39 900.00		50 344.80	45 870.49		4 474.31
Uganda	17 857.46	149 582.36		167 439.82	27 845.14	546.25	139 048.43
United Republic of Tanzania	760 728.87	1 739 503.85		2 500 232.72	1 576 428.35	75 072.45	848 731.92
United States of America	65 632.14	10 171 233.91	958 528.38	11 195 394.43	9 027 972.05	125 564.81	2 041 857.57
Vanuatu	3 395.53	3 053.48		6 449.01	5 359.40		1 089.61
Viet Nam		123 875.39		123 875.39	30 298.75		93 576.64
Yemen	64 748.93	676 175.45		740 924.38	273 994.48	205 783.57	261 146.33
Zaire		686 244.84		686 244.84	427 569.72		258 675.12
Zambia	87 493.17	235 352.16		322 845.33	263 565.78		59 279.55
Zimbabwe	275 440.48	96 121.00		371 561.48	310 593.49		60 967.99
Total	48 328 893.05	88 965 935.97	21 859 785.88	159 154 614.90	104 604 898.72	1 702 824.26	52 846 891.92
UNITED NATIONS SYSTEM							
ESCWA	940.09			940.09			940.09
FAO	(41 426.58)	73 542.58		32 116.00	32 008.71	107.29	
ILO	(1 324.29)	16 689.85	2 666.68	18 032.24	18 032.24		
OECA	73 767.69	(71 598.40)		2 169.29	2 169.29		
PAHO, Washington	31 586.43	639 338.16	46 249.03	717 173.62	710 556.10	6 617.52	
United Nations Secretariat	(4 617.22)	58 900.53	45 614.85	99 898.16	97 589.20	136.06	2 172.90
UNCDF, New York	19 163.42	80 748.59	2 370.96	102 282.97	88 457.42		13 825.55
UNDP, New York	147 060.68	601 969.40	75 627.47	824 657.55	757 291.92	64 352.37	3 013.26
UNDRO, Geneva	(10 614.74)	290 521.46	15 442.09	295 348.81	290 677.13	4 505.06	166.62
UNESCO	63 331.00	35 704.90	1 406.57	100 442.47	98 320.03	746.61	1 375.83
UNFDAC		25 363.00		25 363.00	22 686.49		2 676.51
UNFPA, New York	90 083.02	2 463 923.32	1 130 433.43	3 684 439.77	3 674 427.06		10 012.71
UNHCR, Geneva	22 770.25	1 196 617.62	53 747.14	1 273 135.01	1 200 558.11		72 576.90
UNRWA	(55 423.27)	1 412 019.65	59 302.85	1 415 899.23	1 397 160.01	12 095.13	6 644.09
WFP	3 167.24	(10 048.56)	385.60	(6 495.72)	(9 662.96)		3 167.24
WHO	481 538.08	2 644 394.85	240 788.78	3 366 721.71	2 986 514.81	72 362.90	307 844.00
World Bank	2 376.31			2 376.31			2 376.31
Total	822 378.11	9 458 086.95	1 674 035.45	11 954 500.51	11 366 785.56	160 922.94	426 792.01
Others	3 098 942.94	16 480 107.33 b/	286 319.84	19 865 370.11	14 077 069.49	1 535 916.45	4 252 384.17
Grand total	52 250 214.10	114 904 130.25	23 820 141.17	190 974 485.52	130 048 753.77	3 399 663.65	57 526 068.10

a/ Other procurement services, formerly known as warehouse sales, were classified as special accounts in 1989. The 1988 accounts have been restated to include this activity.

b/ This includes $680,405.73 received for the earthquake victims in Armenia from the following National Committees for UNICEF: $7,874.02 from Australia; $14,705.88 from Bulgaria; $116,279.06 from the Federal Republic of Germany; $1,715.16 from Finland; $454,411.77 from Italy; $41,647.06 from Japan; $35,000.00 from the United States of America; $5,628.13 from Yugoslavia and $3,144.65 from Audrey Hepburn.

SCHEDULE 10.2

World Conference on Education for All and related activities

(summary of 1988 and 1989 in United States dollars)

	Funds received
GOVERNMENTS:	
Canada	106 837.50
Denmark	250 000.00
Finland	317 308.10
Norway	364 436.80
Swedish International Development Agency	250 000.00
Subtotal	1 288 582.40
UNITED NATIONS SYSTEM:	
UNDP	500 000.00
UNESCO	500 000.00
UNICEF	500 000.00
World Bank	500 000.00
Subtotal	2 000 000.00
OTHERS:	
Asian Development Bank	35 000.00
Bernard Van Leer Foundation	100 000.00
Subtotal	135 000.00
Total funds received	3 423 582.40
Expenditures incurred	1 312 801.16
Unspent balance	2 110 781.24

SCHEDULE 11

Income, expenditures and fund balance related to procurement services for the biennium 1988-1989 ended 31 December 1989

(United States dollars)

SOURCES OF FUNDS	
Fund balance, 1 January 1988	700 000.00
Funds received	3 966 536.13
Total funds available	4 666 536.13
USES OF FUNDS	
Staff-related expenses	3 723 927.65
Transfers to income	111 312.11
Total expenditures and transfers	3 835 239.76
Fund balance, 31 December 1989	831 296.37

V. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounts

1. Until 31 December 1987, UNICEF accounts were maintained in accordance with the Financial Regulations of the United Nations, with such modifications as required by the nature of the work of UNICEF.

2. By its decision 1987/13, taken at its 1987 regular session, the Executive Board adopted the UNICEF Financial Regulations and Rules in accordance with Economic and Social Council decision 1986/1981 of 23 July 1986, as approved by the General Assembly in its decision 41/461 adopted on 11 December 1986.

3. By its decision 1987/2, taken at its 1987 regular session, the Executive Board decided that, effective 1 January 1988, UNICEF would commence its financial reporting on a biennial basis.

4. Since 1 January 1988, the accounts have been maintained on a biennial basis in accordance with the UNICEF Financial Regulations and Rules.

5. Contribution income received from National Committees and non-governmental organizations is accounted for on a cash basis of accounting, with the exception of supplementary funds and emergency contributions, which may be recorded on the basis of a valid pledge from a National Committee. The validity of the pledge is determined by the existence of funds raised and a statement from the National Committee that it is committing funds to UNICEF in the form of a pledge.

6. The accounting unit is the United States dollar. The equivalent in United States dollars of other currencies is established on the basis of the United Nations operational rates of exchange. Differences between the valuation of the currencies when entered into the accounts and when actual transactions are made are accounted for as gains or losses on exchange transactions.

7. Periodically, assets and liabilities in currencies other than United States dollars are valued for accounting purposes at the prevailing United Nations operational rates of exchange. Any variance due to fluctuation of those rates is accounted for as income or loss and shown separately in the statement of income and expenditure.

8. The financial report and accounts reflect UNICEF income, expenditure, assets and liabilities, including those of the Greeting Card Operation. The principles of consolidation reflect the accounting policies outlined in paragraphs 9 to 13 below.

9. The reporting period and accounts of the Greeting Card and related operations are maintained on a fiscal year basis, ending 30 April.

10. However, for consolidation purposes only, the UNICEF financial statements include the accounts of the Greeting Card and related operations on a calendar year basis, as at 31 December, based on the trial balance of the accounts of the Greeting Card and related operations.

11. The trial balance of the accounts of the Greeting Card and related operations on a calendar year basis, as at 31 December, is derived by estimating receivables,

sales and profit on goods delivered to consignees from the ongoing Greeting Card Operation campaign.

12. The financial effect of consolidating the accounts of the Greeting Card and related operations on a calendar basis is reflected, most notably, in the receivables and earnings of the Greeting Card Operation.

13. Inter-office transactions between UNICEF and the Greeting Card and related operations are eliminated for consolidation purposes.

Income and expenditures

14. Income consists of general resources and supplementary funds. General resources include funds from the voluntary annual contributions of Governments, the net income from the Greeting Card Operation, unearmarked funds contributed by the public and other income. Supplementary funds are those contributed to UNICEF by Governments, intergovernmental organizations, non-governmental organizations and United Nations agencies for emergencies and for specific purposes within the programmes approved by the UNICEF Executive Board. These earmarked contributions become part of UNICEF commitments. If specific terms and conditions are established by donors, separate accounts are maintained for purposes of reporting and financial management.

15. Income is recorded on the basis of funds or pledges received for the current year. Pledges received for future years for purposes specified by donors are considered deferred income and recorded as "pledged and received in advance" (statement II).

16. Donations-in-kind, which are recorded as memorandum entries in the books of account, are not part of UNICEF income.

17. The statement of income and expenditure (statement I) does not include funds received and expenditures made from special accounts, which are reflected in schedules 10.1 and 10.2. Those transactions which do not require commitments by the Executive Board are maintained as special accounts.

Assets and liabilities

18. All funds received are deposited into UNICEF bank accounts, including those under special account arrangements, and reflected as cash holdings.

19. All outstanding pledges for contributions are recorded as receivables (see para. 15 above).

20. UNICEF policy on capital assets changed in 1989. Prior to 1989, certain buildings purchased by UNICEF were considered capital assets. They were valued at cost less amortization and depreciated in accordance with United Nations Regulations and Rules and certain modifications to Generally Accepted Accounting Principles.

21. During 1989, a capital asset fund was established for the future purchase and control of UNICEF capital assets, mainly buildings to be purchased for office accommodations and staff housing. This capital asset fund was created through a transfer from general resources.

22. In 1989, the unamortized value of UNICEF capital assets was expended against the 1988-1989 budget, resulting in a fully depreciated UNICEF capital asset account as of 31 December 1989.

23. Future acquisitions of UNICEF capital assets will be included in the capital asset fund and, at such time as may be necessary, additional authorized appropriations will be made to replenish the capital asset fund.

24. The stock of programme supplies at the UNICEF Supply Division warehouse at Copenhagen is shown at average cost. Goods-in-transit to the warehouse are valued at actual cost. Freight paid for supplies to the warehouse is considered part of the cost of supplies. The aggregate total represents the inventory, the value of which is adjusted by the accumulated variance between average and actual costs.

25. The Greeting Card Operation inventory of raw materials, products in process and finished goods are valued at standard cost. The aggregate total is adjusted by the accumulated variances to reflect their actual costs.

26. No provision is made for staff entitlements for repatriation, etc., in future years or to meet contingencies under appendix D of the United Nations Staff Rules, as funds are provided in the budget appropriations as required.

27. A reserve for insurance of $200,000 was established in November 1950 to absorb losses of UNICEF programme supplies and equipment not covered by commercial insurance. The reserve is restored to its authorized limit by a transfer from income. In 1987, UNICEF decided to self-insure for property losses of $100,000. Accordingly, a reserve funded from the budget was established. This reserve was funded equally from the biennium 1986-1987 and the biennium 1988-1989.

ANNEX I

Statistical and other data

The present annex comprises tables giving statistical and other data concerning UNICEF activities which, although not forming part of the financial statements, are provided for information purposes.

Tables

1. Total programmes funded from general resources and supplementary funds approved in 1988 and 1989 (summary by region and type of programme).

2. Summary of programmes funded from general resources approved by the Executive Board at its 1988 and 1989 sessions (by region and type of programme).

3. Programmes entering into effect during 1988 and 1989 between Board sessions corresponding to specific contributions received or pledged during the biennium 1988-1989 and adjustments and transfers.

4. Summary of expenditures in the biennium 1988-1989 by region and type of programme.

5. Expenditure for co-operation by programme in the bienniums 1988-1989 and 1986-1987.

6. Status of funds from the United Nations system related to Board commitments as at 31 December 1989.

7. Assistance financed by UNFPA through UNICEF in the biennium 1988-1989.

Table 1

Total programmes funded from general resources and supplementary funds approved in 1988 and 1989; summary by region and type of programme

(Thousands of United States dollars)

	Africa			Asia			Middle East and North Africa			Americas and the Caribbean			Interregional			Total			
	1988	1989	Total	1988	1989	Total	1988	1989	Total	1988	1989	Total	1988	1989	Total	1988	1989	Total	Percentage
Child health																			
Immunization	9 702	24 933	34 635	47 886	22 742	70 628	722	13 722	14 444	3 270	4 253	7 523	0	240	240	61 580	65 890	127 470	12.5
Other health	59 937	53 605	113 542	47 451	38 062	85 513	11 306	6 887	18 193	6 157	13 903	20 060	(158)	25 377	25 219	124 693	137 834	262 527	25.8
Subtotal	69 639	78 538	148 177	95 337	60 804	156 141	12 028	20 609	32 637	9 427	18 156	27 583	(158)	25 617	25 459	186 273	203 724	389 997	38.3
Child nutrition	17 767	12 794	30 561	17 041	4 555	21 596	2 853	1 177	4 030	2 440	5 173	7 613	(3 782)	(5 001)	(8 783)	36 319	18 698	55 017	5.4
Water supply and sanitation	20 622	25 747	46 369	46 624	19 260	65 884	5 993	5 577	11 570	2 607	6 295	8 902	-	1 550	1 550	75 846	58 429	134 275	13.2
Community and family-based services for children	6 931	2 077	9 008	17 774	1 835	19 609	284	945	1 229	4 678	2 361	7 039	-	-	-	29 667	7 218	36 885	3.6
Formal and non-formal education	19 190	3 351	22 541	27 126	30 156	57 282	342	364	706	5 263	3 283	8 546	-	-	-	51 921	37 154	89 075	8.8
Women's programmes	3 986	3 656	7 642	6 813	8 121	14 934	35	3 161	3 196	483	964	1 447	-	-	-	11 317	15 902	27 219	2.7
Children in especially difficult circumstances	387	391	778	3 635	2 623	6 258	55	762	817	4 357	4 480	8 837	-	-	-	8 434	8 256	16 690	1.6
Emergency relief	22 826	14 382	37 210	8 808	11 033	19 841	5 350	26 545	31 895	258	206	464	1 768	4 000	5 768	39 012	56 166	95 178	9.4
General a/	22 043	14 084	36 127	30 074	18 529	48 603	2 295	2 372	4 577	15 720	2 367	18 087	8 623	37 977	46 600	78 665	75 329	153 994	15.1
Area-based, integrated and urban services	-	8 836	8 836	-	5 510	5 510	-	156	156	-	1 050	1 050	-	-	-	-	15 552	15 552	1.5
Environment	-	330	330	-	200	200	-	-	-	-	-	-	-	3 000	3 000	-	3 530	3 530	0.3
Total	183 393	164 186	347 579	253 232	162 626	415 858	29 145	61 668	90 813	45 233	44 335	89 568	6 451	67 143	73 594	517 454	499 958	1 017 412	100.0
Balance from previously approved programme	(2 507)	(15 866)	(18 373)	(59 886)	(1 107)	(60 993)	(292)	(165)	(457)	(792)	(349)	(1 141)	-	(182)	(182)	(63 477)	(17 669)	(81 146)	
Subtotal	180 886	148 320	329 206	193 346	161 519	354 865	28 853	61 503	90 356	44 441	43 986	88 427	6 451	66 961	73 412	453 977	482 289	936 266	
Budget																-	324 287	324 287	
Adjustments to commitments																397	(6 136)	(5 739)	
GLOBAL TOTAL																454 374	800 440	1 254 814	

a/ This assistance cannot be broken down into the categories above. It consists mainly of planning and project preparation, project support services and project support communication.

Table 2

Summary of programmes funded from general resources approved by the Executive Board at its 1988 and 1989 sessions, by region and type of programme

(Thousands of United States dollars)

	Africa			Asia			Middle East and North Africa			Americas			Interregional			Total			
	1988	1989	Total	1988	1989	Total	1988	1989	Total	1988	1989	Total	1988	1989	Total	1988	1989	Total	Percentage
Child health																			
Immunization	3 975	18 887	22 862	18 821	6 882	25 703	470	12 815	13 285	867	3 737	4 604	-	-	-	24 133	42 421	66 554	11.3
Oral rehydration therapy	2 970	1 604	4 574	10 147		10 147	-	1 430	1 430	324	327	651	-	-	-	13 441	3 361	16 802	2.9
Other health	18 822	20 111	38 933	24 601	23 688	48 289	1 354	3 348	4 702	1 341	5 006	6 347	-	25 000	25 000	46 118	77 153	123 271	20.9
Subtotal	25 767	40 702	66 469	53 569	30 570	84 139	1 824	17 593	19 417	2 532	9 070	11 602	-	25 000	25 000	83 692	122 935	206 627	35.1
Child nutrition	10 220	7 172	17 392	16 871	3 131	20 002	225	799	1 024	400	1 015	1 415	-	2 000	2 000	27 716	14 117	41 833	7.1
Water supply and sanitation	14 444	15 313	29 757	15 564	1 540	17 104	-	1 839	1 839	255	-	255	-	1 550	1 550	30 263	20 242	50 505	8.6
Community and family-based services for children	5 193	952	6 145	17 449	10	17 459	251	200	451	2 499	425	2 924	-	-	-	25 392	1 587	26 979	4.6
Formal and non-formal education	17 976	2 863	20 839	26 372	21 908	48 280	249	315	564	3 727	900	4 627	-	-	-	48 324	25 986	74 310	12.6
Women's programmes	3 230	1 578	4 808	6 703	7 136	13 839	-	2 620	2 620	386	220	606	-	-	-	10 319	11 534	21 873	3.7
Children in especially difficult circumstances	378	-	378	2 340	475	2 855	-	600	600	1 045	255	1 300	-	-	-	3 803	1 330	5 133	0.9
Emergency relief	210	1 000	1 210	-	-	-	-	-	-	-	-	-	1 768	4 000	5 768	1 978	5 000	6 978	1.2
General a/	19 977	12 373	32 350	28 092	16 053	44 145	1 476	2 085	3 561	15 051	2 190	17 241	25	38 125	38 150	64 621	70 826	135 447	23.0
Area-based, integrated and urban services	-	8 836	8 836	-	5 510	5 510	-	156	156	-	1 050	1 050	-	-	-	-	15 552	15 552	2.6
Environment	-	330	330	-	200	200	-	-	-	-	-	-	-	3 000	3 000	-	3 530	3 530	0.6
Total	97 395	91 119	186 514	167 000	86 533	253 533	4 025	26 207	30 232	25 895	15 125	41 020	1 793	73 675	75 468	296 108	292 659	588 767	100.0
Balance from previously approved programmes	(2 507)	(15 866)	(18 373)	(59 000)	(1 107)	(60 993)	(292)	(165)	(457)	(794)	(349)	(1 141)	-	(182)	(182)	(62 477)	(17 669)	(159 603)	
Subtotal new commitments	94 888	75 253	170 141	107 114	85 426	192 540	3 733	26 042	29 775	25 101	14 776	39 879	1 793	73 493	75 286	232 631	274 990	507 621	
Budget																-	324 267	324 267	
Adjustments to commitment																397	(6 571)	(6 174)	
TOTAL																233 028	592 706	825 734	

a/ This assistance cannot be broken down into the categories above. It consists mainly of planning and project preparation, project support services and project support communication.

Table 1

Programmes entering into effect during 1988 and 1989 between Board sessions corresponding to specific contributions received or pledged during the biennium 1988-1989 and adjustments and transfers

(Thousands of United States dollars)

	Africa			Asia			Middle East and North Africa			Americas			Interregional			Total			Percentage
	1988	1989	Total	1988	1989	Total	1988	1989	Total	1988	1989	Total	1988	1989	Total	1988	1989	Total	
Child health																			
Immunisation	5 727	5 946	11 673	29 065	15 860	44 925	252	907	1 159	2 403	516	2 919	-	240	240	37 447	23 469	60 916	14.2
Other health	38 145	31 890	70 035	12 703	14 374	27 077	9 952	2 109	12 061	4 892	8 570	13 062	(158)	377	219	65 134	57 320	122 454	28.6
Subtotal	43 872	37 836	81 708	41 768	30 234	72 002	10 204	3 016	13 220	6 895	9 086	15 981	(158)	617	459	102 581	80 789	183 370	42.8
Child nutrition	7 567	5 622	13 189	170	1 424	1 594	2 628	378	3 006	2 040	4 158	6 198	(3 782)	(7 001)	(10 783)	8 623	4 581	13 204	3.1
Water supply and sanitation	6 178	10 434	16 612	31 060	17 720	48 780	5 993	3 738	9 731	2 352	6 295	8 647	-	-	-	45 583	38 187	83 770	19.5
Community and family-based services for children	1 738	1 125	2 863	325	1 825	2 150	33	740	778	2 179	1 936	4 115	-	-	-	4 275	5 631	9 906	2.3
Formal and non-formal education	1 214	688	1 702	754	8 248	9 002	93	69	162	1 536	2 383	3 919	-	-	-	3 597	11 168	14 765	3.4
Women's programmes	756	2 078	2 834	110	985	1 095	35	541	576	97	744	841	-	-	-	998	4 348	5 346	1.2
Children in especially difficult circumstances	9	391	400	1 255	2 148	3 403	55	162	217	3 312	4 225	7 537	-	-	-	4 631	6 926	11 557	2.7
Emergency relief	22 618	13 382	36 000	8 808	11 033	19 841	5 350	26 545	31 895	258	206	464	-	-	-	37 034	51 166	88 200	20.6
General a/	2 066	1 711	3 777	1 982	2 476	4 458	729	287	1 016	669	177	846	8 598	(148)	8 450	14 044	4 503	18 547	4.3
Total	85 998	73 067	159 065	86 232	76 093	162 325	25 120	35 461	60 581	19 338	29 210	48 548	4 658	(6 532)	(1 874)	221 346	207 299	428 645	100.0

a/ Cannot be broken down into the above categories; consists mainly of planning and project.

Table 4

Summary of expenditures in the biennium 1988-1989 by region and type of programme

(Thousands of United States dollars)

	Africa			Asia			Middle East and North Africa			Americas and the Caribbean			Interregional			Total			Percentage
	1988	1989	Total	1988	1989	Total	1988	1989	Total	1988	1989	Total	1988	1989	Total	1988	1989	Total	
Child health																			
Immunization	-	38 356	38 356	-	53 621	-		14 166	-		7 410	7 410	-	357	357	-	113 910	113 910	12.6
Oral rehydration therapy	-	2 859	2 859	-	4 454	-		2 229	-		1 732	1 732	-	1 016	1 016	-	12 290	12 290	1.4
Other health	59 348	35 568	94 916	66 072	21 438	87 510	15 826	6 197	22 009	14 189	12 404	26 593	2 749	1 671	4 420	158 184	77 264	235 448	26.1
Subtotal child health	59 348	76 783	136 131	66 072	79 513	87 510	15 826	22 578	22 009	14 189	21 546	35 735	2 749	3 044	5 793	158 184	203 464	361 648	40.2
Child nutrition	7 198	9 326	16 524	10 163	12 669	22 832	877	962	1 839	2 365	2 148	4 513	1 792	2 461	4 253	22 395	27 566	49 961	5.5
Water supply and sanitation	21 433	23 365	44 798	35 473	41 009	76 482	8 941	7 925	16 866	2 524	3 259	5 783	86	135	221	68 457	75 693	144 150	16.0
Community and family-based services for children	5 738	5 544	11 282	15 847	19 527	35 374	1 469	1 755	3 224	5 658	7 537	13 195	312	227	539	29 024	34 590	63 614	7.1
Formal and non-formal education	8 852	10 334	19 186	20 601	17 175	37 776	1 434	2 160	3 594	5 053	6 177	11 230	796	703	1 499	36 736	36 549	73 285	8.1
Emergency relief	23 060	16 264	39 324	3 543	10 588	14 131	4 879	21 648	26 527	742	807	1 549	9	(30)	(21)	32 233	49 277	81 510	9.1
General a/	20 348	27 244	47 592	15 283	22 304	37 587	1 577	3 878	7 455	7 224	9 735	16 949	6 058	10 832	16 890	52 490	73 983	126 473	14.0
Subtotal, programme a/	145 977	168 860	314 837	166 982	202 785	369 767	37 003	60 906	97 909	37 755	51 199	88 954	11 802	17 372	29 174	399 519	501 122	900 641	100.0
Programme support services																67 710	76 485	144 195	
Total assistance																467 229	577 607	1 044 836	
Administrative Services																50 762	57 786	108 548	
Recovery from programmes																(14 315)	(15 125)	(29 440)	
TOTAL EXPENDITURE																513 676	630 268	1 143 944	

a/ Cannot be broken down into the above categories.

Table 3

Expenditure for co-operation by programme in the biennium 1986-1989 and 1986-1987

(Thousands of United States dollars)

	1986		1987		Total 1986-1987		1988		1989		Total 1988-1989		1988-1989 increase (decrease)	
	Amount	Percentage of total	Amount	Percentage of total	Amount	Percentage of total	Amount	Percentage of total	Amount	Percentage of total	Amount	Percentage of total	Amount	Percentage
Child health	139 742	36.4	144 145	38.7	283 887	38.0	158 288	38.6	203 464	40.6	361 752	40.2	45 279	44.6
Child nutrition	17 096	5.2	21 520	6.8	41 616	5.6	22 398	5.6	27 566	5.5	49 960	5.5	5 372	5.3
Water supply and sanitation	58 209	17.6	66 934	17.8	125 142	17.8	69 836	17.5	75 681	15.1	144 149	16.0	7 237	7.1
Community and family-based services for children	16 116	4.9	24 932	6.8	41 048	5.9	29 025	7.3	34 590	6.9	63 615	7.1	5 565	5.5
Formal and non-formal education	30 736	9.4	35 665	9.7	66 201	9.6	36 735	9.2	36 549	7.3	73 284	8.1	(186)	(0.2)
Emergency relief	32 085	9.8	25 291	6.9	57 376	8.3	32 233	8.1	49 277	9.8	81 510	9.1	17 044	16.8
General a/	58 270	16.8	46 509	12.7	100 780	14.5	52 490	13.1	73 982	14.8	126 472	14.0	21 492	21.2
Subtotal, programme aid	327 925	100.0	364 795	100.0	692 720	100.0	399 529	100.0	501 122	100.0	900 641	100.0	101 603	100.0
Programme support services b/	67 315		68 974		135 289		67 710		76 881		144 591		8 776	
Total assistance	395 240		434 769		828 109		467 239		577 807		1 045 232		110 379	

a/ Cannot be broken down into above categories.

b/ Figures for 1988 are net of staff assessment, while figures for 1987 reflect gross costs.

Table 6

Status of funds from the United Nations system related to Board commitments as at 31 December 1989

(United States dollars)

	Opening balance 1 January 1988	Received	Total	Expenditures	Balance 31 December 1989
UNDRO	142 347.95	540 000.00	682 347.95	415 010.31	267 337.64
UNHCR	(150 497.23)	141 871.13	(8 626.10)	32 843.79	(41 469.89)
UNCDF	(593 993.98)	5 760 597.19	5 166 603.21	6 368 075.83	(1 201 472.62)
UNDP	(572 874.98)	330 157.00	(242 717.98)	678 029.74	(920 747.72)
UNFPA	(157 113.74)	323 097.97 a/	165 984.23	139 807.19	26 177.04
United Nations Secretary-General's appeals	(46 432.17)	-	(46 432.17)	(51 432.42)	5 000.25
United Nations African Emergency Trust Fund	168 639.37	647 860.00	816 499.37	263 110.98	553 388.39
Office of the Special Representative of the Secretary-General for Cambodia	(549 754.49)	-	(549 754.49)	50 245.51	(600 000.00)
Co-ordinator for United Nations Assistance Programme Relating to Afghanistan	-	9 651 605.02	9 651 605.02	6 065 065.23	3 586 539.79
World Bank	(86 682.31)	16 103.40	(70 578.91)	187 175.45	(257 754.36)
Total	(1 846 361.58)	17 411 291.71	15 564 930.13	14 147 931.61	1 416 998.52

a/ The amount of $22,651.97 received in 1987 is reflected in the present table.

Table 7

Assistance financed by UNFPA through UNICEF in the biennium 1988-1989

(United States dollars)

Country	Unspent balance of commitments as of 1 January 1988	New allocations	Total	Expenditure	Unspent balance of commitments as of 31 December 1989
Africa					
Angola	(7 992)	13 375	5 383	5 383	-
Central African Republic	126 390	41 507	167 897	106 581	61 316
Mali	(971)	6 262	5 291	3 182	2 109
Senegal	34	-	34	-	34
Asia					
Afghanistan	-	41 297	41 297	14 609	26 688
China	-	20 000	20 000	-	20 000
Sri Lanka	13 223	(3 161)	10 062	10 051	11
Total	130 684	119 280	249 964	139 806	110 158

ANNEX II

Glossary of selected UNICEF terminology used in the report

ACCOUNTS, AUDITED

The financial statements of the organization for a specified period or at a specified date audited by the External Auditors (United Nations Board of Auditors).

ACCRUAL SYSTEM OF ACCOUNTING

To record income or expenditures in the accounting period to which they relate, notwithstanding that the receipt or payment of funds may take place in a different accounting period.

BUDGET

A plan in financial terms for carrying out proposed activities in a specified time. The term "budget" is used to refer to UNICEF administrative and programme support costs as well as to the Greeting Card Operation. However, the Executive Board approves an appropriation of funds only for UNICEF administrative and programme support costs.

Budget estimates

Estimates of the costs of proposed administrative and programme support activities prepared for submission to the UNICEF Executive Board for the approval of relevant appropriations.

Budget estimates, revised

Resulting from Executive Board approval of "supplementary estimates" proposed to adjust an approved budget.

Budget commitments

The total appropriation of funds approved by the Executive Board for UNICEF administrative and programme support costs, against which obligations may be incurred for those purposes up to the amount so approved.

CASH HOLDINGS

The aggregation of all the funds of the organization, including coins, bank notes, cheques, balances in current and call accounts, saving accounts and interest-bearing deposits.

Cash-in-transit

Cash transfers between one or more UNICEF bank accounts at a specified time.

Cash in current bank accounts

The aggregate of money maintained in UNICEF bank accounts, as reflected in UNICEF books of account, to sustain operational requirements.

Cash in interest-bearing deposits

Funds temporarily available, over those needed for immediate requirement, held in short-term interest-bearing deposits and ready to be drawn down when needed.

Cash-on-hand
(also called "petty cash")

Cash kept on hand by authorized officers as a convenience for making small payments on behalf of the organization.

COMMITMENTS FOR PROGRAMME CO-OPERATION

The total appropriation of funds approved by the Executive Board for UNICEF co-operation in country programmes or regional projects for periods from one to five years.

Commitments made at the Board session

Programme and budget commitments recommended by the Executive Director that are submitted for approval to the Board at its annual sessions.

Commitments made between Board sessions

Programme commitments related to projects approved at the annual Board sessions for specific contributions, subsequently entering into effect on receipt of funds or firm pledges. May also include programme commitments from general resources approved by "mail poll".

Commitments, savings and deficits

Commitments for programme co-operation are expressed in terms of the unit of accounts (United States dollars). They reflect estimated cost of supplies, services and local costs. Actual expenditures usually differ from estimated costs, thus creating savings or deficits which are submitted yearly to the Board to authorize either a reduction of outstanding commitments (savings) or new commitments to cover over-expenditures on approved programmes.

Commitments, unspent balance

Programme commitments have no annual expiration date; they may continue during the plan of operation. At the time a new recommendation is prepared for presentation to the Board, unspent balances of previous commitments may be deducted from the new amount requested or may also be reprogrammed. In some cases, the unspent balance may be cancelled for reasons preventing the continuation of the programme.

CONTRIBUTIONS, VOLUNTARY

Contributions to UNICEF which are offered and accepted without reference to a scale of assessment determined by any United Nations legislative body.

CONTRIBUTIONS RECEIVABLE

Contributions pledged to UNICEF but not received until a future time.

CURRENCIES OF "RESTRICTED USE" FOR UNICEF

Currencies, the use of which (mainly in respect of transferability and convertibility) is limited because of foreign exchange regulations or donor's wish. When those limitations do not exist, the currencies are considered by UNICEF as "unrestricted" because they are fully convertible.

EARMARKED

To give expression to a restriction imposed by agreement or by administrative action on the use of an account or of an equivalent amount of assets.

EQUIPMENT, NON-EXPENDABLE

Equipment with a serviceable life of more than one accounting period, for which inventory records are maintained.

EXPENDITURES

The payment of cash or the incurring of a liability for the purpose of discharging approved commitments. In the case of commitments for programme co-operation, non-cash expenditures, which are recorded on an accrual basis, reflect the actual UNICEF input delivered during the period in the form of supplies, equipment, and/or services. In the case of budget commitments, expenditures reflect obligations incurred during the financial year.

FINANCIAL PERIODS

The operating period of the organization, which is the calendar year, and is covered by the financial statements.

FINANCIAL REGULATIONS

Until 31 December 1987, UNICEF accounts were maintained in accordance with the Financial Regulations of the United Nations, with such modifications as required by the nature of UNICEF work. Since 1 January 1988, UNICEF accounts have been maintained in accordance with the UNICEF Financial Regulations and Rules.

FUND BALANCE

The aggregate net value of UNICEF expressed as the net balance of total assets minus total liabilities. Consists of funds available for the implementation of programme funded by general resources and supplementary funds, as well as funds available for the acquisition of capital assets.

INCOME

Money or firm pledges received or accrued during a financial period which increases the resources of UNICEF for implementation of approved commitments.

UNICEF income is recorded on the basis of funds or pledges received for the current year. It comprises funds classified as "general resources" and "supplementary funds".

Income, deferred

Funds received or pledges recorded as receivable, attributable to future financial periods and, therefore, not credited to the income account of the period reported on.

Income, general resources

Unearmarked income which includes funds from voluntary annual contributions of Governments, the net income from the Greeting Card Operation, funds contributed by the public and certain "other (or miscellaneous) income".

Income, other

Also referred to as "miscellaneous income" for general resources.

Income other than the value of the voluntary contributions and the net income of the Greeting Card Operation.

Income, supplementary funds

Specific contributions for programmes approved by the UNICEF Executive Board, in addition to general resources, which then become part of UNICEF programme commitments.

Consists of funds contributed to UNICEF by Governments, non-governmental organizations and United Nations agencies, for specific purposes.

INVENTORY

The value of supplies and equipment for programmes owned by the organization, as well as Greeting Card Operation materials, at the end of an accounting or financial period.

LIQUIDITY POLICY

Due to the nature of programme implementation and UNICEF cash flows, there may occur, from time to time, short-term imbalances between general resources cash disbursements and cash receipts. UNICEF liquidity policy allows these temporary imbalances to be offset by up to one half of the balance of supplementary cash-on-hand.

LIQUIDITY REQUIREMENT

To meet UNICEF liquidity requirements, general resources convertible cash balances, at the end of each fiscal year, are required to equal 10 per cent of projected general resources income for the next fiscal year.

LOCAL CURRENCY

The currency of the country or area in which the local financial records of an activity are kept and/or in which its local financial transactions take place.

OBLIGATION

A financial engagement involving a liability against the resources of the current financial period.

PLEDGE

A written commitment by a prospective donor to make a voluntary contribution to UNICEF. A written commitment that is subject to the need to secure an appropriate national legislative approval is considered a pledge.

PROCUREMENT SERVICES

UNICEF assists Governments, United Nations agencies and non-governmental organizations working in the fields of benefits to children by undertaking, upon request and on a reimbursable basis, the procurement of goods and services. A small handling charge is added by UNICEF to the cost of the supplies and services to cover the costs of extra administration and documentation (see special accounts).

RATES OF EXCHANGE

The UNICEF accounts are maintained in United States dollars. Transactions in other currencies are converted for recording into United States dollars at the United Nations operational rates of exchange.

RESERVE FOR INSURANCE

A reserve of $200,000 was established by the Executive Board in November 1950, when UNICEF adopted a policy of self-insurance for programme supplies. The reserve is then restored annually to the level of $200,000 by transfer from UNICEF income (other income). UNICEF also has a reserve of $100,000 for third-party liability.

SCHEDULE

Explanatory or supporting analyses accompanying financial statements.

SPECIAL ACCOUNTS

Funds accepted by UNICEF mainly to cover the costs of reimbursable procurement of supplies and services undertaken by UNICEF on behalf of others. They also include financing provided by sponsors to cover the costs of Junior

Professional Officers. These funds are not considered UNICEF income, therefore, for accounting and reporting purposes, they are recorded separately and distinguished from funds which are part of income and are spent for commitments approved by the Board.

SPECIFIC CONTRIBUTIONS

Programme recommendations are often prepared in excess of the input available from general resources. These recommendations are approved by the Board as suitable for funding by supplementary contributions from donors. When a supplementary contribution for specific purposes is made for such a programme, the corresponding commitment enters into effect (usually between Board sessions).

STAFF ASSESSMENT

A deduction from the gross salary of a staff member of an member of an amount in lieu of income tax.

UNENCUMBERED BALANCE

That portion of the budget commitments which has not been expended at the end of the year. The unspent balance at the end of the biennium is cancelled and reported to the Executive Board (see commitments, unspent balance).

WRITE-OFF

An adjustment to the accounts in order to record the loss of or reduction in the value of an asset.

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28 September 1990

NEW YORK

UNITED NATIONS CHILDREN'S FUND

FINANCIAL REPORT

and

AUDITED FINANCIAL STATEMENTS

for the biennium ended 31 December 1989

and

REPORT OF THE BOARD OF AUDITORS

Corrigendum

The cover page and the title page should read as above.

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